

FEDERAL BUREAU OF INVESTIGATION
FREEDOM OF INFORMATION/PRIVACY ACTS SECTION

SUBJECT: FRANK COSTELLO
FILE NUMBER: 92-2869 SECTION 4

FBI

Date: 3/14/58

Transmit the following in PLAIN
(Type in plain text or code)Via AIRTEL
(Priority or Method of Mailing)

TO DIRECTOR, FBI (92-2869)
 FROM SAC, NEW YORK (92-649)
 SUBJECT FRANK COSTELLO, was,
 ANTI-RACKETEERING

On this date, subject appeared in the US Court of Appeals, Second Circuit, SDNY, and subject's attorney EDWARD BENNETT WILLIAMS, argued against subject's 1954 conviction of evasion of income taxes.

WILLIAMS, in arguing for a new trial, contended that the Government obtained its conviction by tapping subject's phone, watching his mail, and examined the tax returns of the jury that returned the conviction.

AUSA ARTHUR H. CHRISTY, SDNY, argued that regardless of the phone taps, there remained ample evidence to uphold the conviction.

The Circuit Court of Appeals reserved decision on a motion to set aside a lower court ruling which denied subject a new trial in his tax case. Subject remained free in \$25,000 bail, for another ten days.

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/45, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOOGLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

POWERS

3-Bureau (92-2869)
 1-New York (92-649)

(5)

EX-128

REC-83

12 MAR 15 1958

Approved: [Signature]
 Special Agent in Charge

Sent _____ M Per _____

WVB:18103

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 4/9/58

FROM : SAC, NEW YORK (92-649)

SUBJECT: FRANK COSTELLO, was,
ANTI-RACKETEERING

For your information, it is noted that the US Supreme Court on 4/7/58, ordered dismissal of proceedings to strip subject of his American citizenship, the first step toward denaturalizing and deporting him.

67c In dismissing the denaturalization case against the subject, the court ruled that the Justice Department failed to file an "affidavit of good cause" at the proper time.

It is further noted that USA PAUL W. WILLIAMS, SDNY, indicated on 4/8/58, that the Government will reinstate the denaturalization case against subject just as soon as his office can draw up the necessary papers, and the case will be placed on the calendar in Federal court for trial.

INASMUCH AS THE SUBJECT WAS SENTENCED ON 4/15/15, TO THE NYC PENITENTIARY FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

2-Bureau (92-2869)
1-New York (92-649)

(3)

REC-36

92-2869-20
APR 11 1958EX-110
FEDERAL BUREAU OF INVESTIGATION
REC'D - E B I

63 APR 16 1958

67c

LA 92-118

DETAILS:

AT LOS ANGELES, CALIFORNIA:

[REDACTED]

b7C,
D, He further advised that he never
knew of COSTELLO having had any financial interest in former
obligations of [REDACTED]

b7C,
D, [REDACTED]

b7C,
D, [REDACTED]

[REDACTED]

b7C,
D

[REDACTED]

b7C,
D

b7C,
D

[REDACTED] and he knows of no interest COSTELLO may have ever had in these obligations.

On February 5, 1958, [REDACTED]

b7C,
D

[REDACTED] advised SA [REDACTED] that their files reflect no information concerning subject or any association between subject and [REDACTED]

On March 17, 1958, [REDACTED]

b7C,
D

[REDACTED] advised SA [REDACTED] that their files contain no information indicating COSTELLO has any financial interests or close associates in the Los Angeles area.

LA 92-118

[REDACTED]

b7C,
D

[REDACTED]

b7C,
D

[REDACTED]

b7C,
D

The State of California Special Crime Study Commission on Organized Crime, in a report dated May 11, 1953, identified

[REDACTED] as having an arrest record dating back to 1924, and stated that his known associates include [REDACTED] BUGSY SIEGEL (deceased), [REDACTED], MOE SEDWAY (deceased), [REDACTED] and FRANK COSTELLO.

b7C

L

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LOS ANGELES	OFFICE OF ORIGIN NEW YORK	DATE APR 11 1958	INVESTIGATIVE PERIOD 2/5,17,18;3/10-13,17, 24-26/58
TITLE OF CASE FRANK COSTELLO, was.		REPORT MADE BY [REDACTED]	TYPED BY [REDACTED]
		CHARACTER OF CASE b7C ANTI-RACKETEERING	

SYNOPSIS:

[REDACTED] advised he has no knowledge of subject ever having had financial interest in [REDACTED] b7C, D

[REDACTED] possess no information concerning subject having financial interests or close associates in Los Angeles area. b7C

[REDACTED] Subject not known to be close associate of [REDACTED] Subject not known to have financial interests at Palm Springs, California. b7C b7D
INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/15 TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

- RUC -

APPROVED

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

- 2 - Bureau (92-2869) *continued*
2 - Jacksonville *6-11-58*
2 - New York City (92-649)
2 - Washington Field
1 - Los Angeles (92-118)

APR 15 1958

REC-91

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914 MAY 61 1972

76 APR 18 1958

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET3

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92-2869-21 pgs. 5, 6, & 9

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LA 92-118

b7C,
D

b7C,
D

b2
b7C,
D

AT PALM SPRINGS, CALIFORNIA:

The following investigation was conducted by SA

b7C

On March 24, 1958,

advised that he could locate no record for the subject in his various files.

On March 25, 1958,

advised that COSTELLO was not in any of his various files. He commented that as long as he has been in this area, for eighteen years, he has heard nothing to the effect that COSTELLO has any financial interests or associates here.

b2,
b7C,
D

however, he does not know if this is a fact and does not know that COSTELLO has ever visited Palm Springs.

On March 24, 1958,

advised that he never heard anything to the effect that FRANK COSTELLO had any associates or interests in this area.

On March 24, 1958, the files of as checked by failed to disclose information concerning subject.

LA 92-118

On March 24, 1958, [REDACTED] advised that he had no information that FRANK COSTELLO had any associates or financial interests in Palm Springs. b7c D

On March 25, 1958, [REDACTED] advised that [REDACTED] He stated he knows of no association between [REDACTED] and COSTELLO. b7c D

INASMUCH AS SUBJECT WAS SENTENCED ON APRIL 15, 1915 TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

- RUC -

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: APR 11 1958

FROM : SAC, LOS ANGELES (92-118)

SUBJECT: FRANK COSTELLO, was.
ANTI-RACKETEERING

OO: New York

b7C
Enclosed herewith are two copies of the report of
SA [REDACTED] (A) dated and captioned as above at
Los Angeles.

REFERENCES:

b7C
Report of SA [REDACTED] dated February 10,
1958 at Los Angeles.

Letter from New York to San Diego dated February 5,
1958.

Report of SA [REDACTED] dated March 6, 1958
at New York. 25

LEADSJACKSONVILLE DIVISIONAT JACKSONVILLE, FLORIDA:

[REDACTED]

- b7C, REC-91
92-2869-22 b7C
EX-110
(2) - Bureau (Encls. 2)
(2) - Jacksonville (Encls. 2)
2 - New York City (92-649) (Encls. 2)
2 - Washington Field (Encls. 2)
1 - Los Angeles

APR 15 1958

(9)
76 APR 26 1958
EX-110
ENCLOSURE
b7C

b7C

LA 92-118

WASHINGTON FIELD OFFICE

AT WASHINGTON, D. C.:



NEW YORK DIVISION

b7C, D

AT NEW YORK CITY, NEW YORK:



b7C
D

INASMUCH AS SUBJECT WAS SENTENCED ON APRIL 15, 1915
TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND
DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT
SHOULD BE CONSIDERED DANGEROUS.

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
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Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 4/15/58

FROM : SAC, CINCINNATI (92-193)

SUBJECT: FRANK COSTELLO, Was.
ANTI-RACKETEERING
(OO: New York)

67C
Enclosed herewith are two copies of the report of SA [REDACTED] in the above-captioned matter dated 4/15/58, at Cincinnati.

Two copies of this report are also enclosed for the New York Office.

REFERENCE: Report of SA [REDACTED] dated 3/6/58.

ADMINISTRATIVE 67C

[REDACTED] 67C, D

A summary of information contained in the Cincinnati files concerning MAX GETZ has been set forth in the Cincinnati report of SA [REDACTED] dated November 28, 1949, captioned Control File - Jewel Theft Investigations, Interstate Transportation of Stolen Property; Jewel Thefts. In view of the fact that two copies of this report were submitted to the New York Office, information set forth therein pertaining to MAX GETZ is not being re-stated at this time.

67C, D [REDACTED]

cc: (2) - Bureau (92-2869) (Encl. - 2) ENCLOSURE
2 - New York (92-649) (Encl. - 2)
1 - Cincinnati (92-193)

67C, D [REDACTED]

(5) COPIES DESTROYED
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REC-45

APR 17 1958

APR 29 1958

EX-135

67C

CI 92-193

b7C,
D

[REDACTED]

b7C,
D

[REDACTED]

LEADS:

Leads to interview GETZ's [REDACTED] in connection with his activities and former associates are being left to the discretion of the Office of Origin. It is noted that [REDACTED]

[REDACTED]

b7C

INASMUCH AS SUBJECT WAS SENTENCED ON 4/14/15,
TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER
AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS,
SUBJECT SHOULD BE CONSIDERED DANGEROUS.

FEDERAL BUREAU OF INVESTIGATION

Reporting Office KANSAS CITY	Office of Origin NEW YORK	Date 4/18/58	Investigative Period 3/26; 4/4,7,17/58
TITLE OF CASE FRANK COSTELLO, was. Francisco Castaglia, Frank Castello, Francesco Castiglio, (True Name) Francisco Castaglia, Francesco Costaglia, Murray H. Hoffman, Frank Sampson, Francesco Saverio, Frank Saverio, Frank Stello		Report made by [REDACTED]	Typed By [REDACTED]
		CHARACTER OF CASE ANTI-RACKETEERING	b7c

Synopsis:

b7c Liens in the amount of \$640,273.34 placed against FRANK and LORETTA COSTELLO in Barton and Rice Counties, Kansas, by the Internal Revenue Department. No record, Clerk, United States District Court or Wyandotte County, Kansas City, Kansas, of lien placed by government against income of COSTELLO. Clerk, United States District Court, Kansas City, Kansas, advised lien may have been placed with Clerk, United States District Court, Topeka, Kansas.

- P -

DETAILS:

The following investigation was conducted by
SA **[REDACTED]** **b7c**

At Great Bend, Kansas **b7c**

On April 4, 1958, **[REDACTED]**
[REDACTED] Barton County Court House, advised her **uf**

Approved [Signature]	Special Agent in Charge	Do not write in spaces below			
Copies made: ② - Bureau (92-2869) Int. 4260 3 - New York cc returned 2 - Kansas City (92-241) 6-17-58		92-	2869-	25	REG-11
COPIES DESTROYED 814 MAY 8 1961		14 APR 21 1958			EX-135
		[Signature]			STAT. SECT.

60 APR 25 1958

KC 92-241

records reflect that the United States Government has placed the following liens against subject's income:

<u>Nature of Tax</u>	<u>Year</u>	<u>Date of Assessment</u>	<u>Amount of Assessment</u>
Income	1942	1/9/53	\$ 19,316.39
"	1945	"	137,562.03
"	1944	"	211,677.59
"	1941	"	<u>19,605.16</u>
			\$388,161.17

67C The above liens were filed January 24, 1953, by [REDACTED] The following liens were filed February 7, 1953, against subject and LORETTA COSTELLO:

\$212,466.37

On February 7, 1953, a lien in the amount of \$39,645.80 was filed against subject.

Grand total of the above liens is \$640,273.34.

On April 4, 1958, the following people advised they could find no record of subject or his wife in their respective files:

67C
D [REDACTED]

Barton County Clerk

At Lyons, Kansas

67C
On April 7, 1958, [REDACTED] Rice County, Kansas, advised the same liens placed against subject in Barton County also applied in Rice County and were filed on the same dates in the same amounts.

KC 92-241

On April 7, 1957, [REDACTED]

[REDACTED] and [REDACTED] advised their respective files contained no record of subject or his wife.

The following investigation was conducted by [REDACTED]

At Kansas City, Kansas

On April 15, 1958, [REDACTED] Clerk, United States District Court, advised his office has no record of any lien placed on the income of LORETTA or FRANK COSTELLO by the United States Treasury Department, Internal Revenue Division. [REDACTED] stated, however, that whenever liens have been placed on income or property within Wyandotte County, Kansas, a copy of the lien is forwarded to the Clerk of Court or Register of Deeds, Wyandotte County, Kansas.


On April 17, 1958, [REDACTED] Clerk of Court, Wyandotte County, Kansas, advised he had searched his records and had located no lien placed on the income or property of FRANK or LORETTA COSTELLO at Kansas City, Kansas, or elsewhere in Wyandotte County. [REDACTED] advised further that liens are recorded with his office only in the case where judgments have been rendered by the Wyandotte County Court against the named individuals. He stated that all other liens are placed with the Register of Deeds, Wyandotte County, Kansas.

On April 17, 1958, [REDACTED] Wyandotte County, advised he had searched his records from January 1, 1935, to the present day and had located no record of a lien having been filed against the income or other property of LORETTA or FRANK COSTELLO.

On April 17, 1958, the following individuals

KC 92-241

advised the files of their respective offices contained no reference to FRANK or LORETTA COSTELLO.



b7c
D

- P -

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 4/18/58

FROM : SAC, Kansas City (92-241)

SUBJECT: FRANK COSTELLO, was.
ANTI-RACKETEERING
OO: New York

Enclosed to the Bureau are two copies of the report of SA [REDACTED] dated 4/18/58, at Kansas City.

Enclosed to the New York Office are three copies of above report.

REFERENCE

Report of SA [REDACTED] dated 3/6/58, at New York.

LEADSKANSAS CITY DIVISIONAT TOPEKA, KANSAS

Will at office of Clerk, United States District Court, District of Kansas, ascertain whether any judgment has been rendered or any lien filed against FRANK COSTELLO or LORETTA COSTELLO in that office. If any record discovered will obtain complete details concerning dates, holdings, and the amounts of each lien.

- ② - Bureau (Encls. 2)
2 - New York (Encls. 3)
2 - Kansas City

(6)

REG-11

EX-135

14 APR 21 1958

68 APR 20 1958

XXXXXX
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XXXXXXFEDERAL BUREAU OF INVESTIGATION
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Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 4/28/58

FROM : SAC, RICHMOND (92-111)

SUBJECT: FRANK COSTELLO, Was.
ANTI-RACKETEERING

b7c

Enclosed to the Bureau and New York are the indicated copies of the report of [REDACTED] dated 4/28/58, at Richmond, Virginia. b7c

REFERENCE

Report of [REDACTED] dated March 6, 1958, New York, New York. b7c

ADMINISTRATIVE DATA

A review of the indicies of the Richmond Office fails to reveal any previous information concerning [REDACTED] b7c

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/55, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

- 2 - Bureau (92-2869) (Encl. 2)
2 - New York (92-649) (Encl. 2)
1 - Richmond (92-111)

(5)

REC-126

6 APR 29 1958

ENCLOSURE

10/0
50 MAY 2 1958

FEDERAL BUREAU OF INVESTIGATION

Reporting Office BALTIMORE	Office of Origin NEW YORK	Date 4/29/58	Investigative Period 3/17-20, 24, 26, 31; 4/2, 11, 15
TITLE OF CASE FRANK COSTELLO, was., Francisco Castaglia, Frank Castello, Francesco Castiglio (TN), Francisco Cataglia, Francesco Costaglia, Murray H. Hoffman, Frank Sampson, Fran- cesco Saverio, Frank Saverio,		Report made by [REDACTED]	Typed [REDACTED]
CHARACTER OF CASE ANTI-RACKETEERING		b7c	

Synopsis: **Frank Stello**

[REDACTED]

Approved b7c	Special Agent In Charge [REDACTED]	Do not write in spaces below		
Copies made: ② - Bureau (92-2869) 2 - Miami (INFO) 2 - New York (92-649) 1 - Baltimore (92-172) <i>Scattered 6-17-58</i>		92-2869-	29	REC-6
COPIES DESTROYED 9 14 MAY. 61 1972		8 MAY 1 1958	EX-110	
[REDACTED]		[REDACTED]		

50 MAY 14 1958

BA 92-172

b7C
D
[REDACTED] Inasmuch as subject was sentenced on 4/15/15 to the Workhouse, New York City, for one year for possession of a revolver, and due to his reported association with to hoodlums, subject WILL BE CONSIDERED DANGEROUS.

- RUC -

DETAILS:

b7C
D
On January 21 and February 4, 1952, [REDACTED] was interviewed by Special Agents [REDACTED] denied ever having been associated or acquainted with FRANK COSTELLO.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
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BA 92-172

[REDACTED]
[REDACTED] however, he advised that he
never saw COSTELLO nor could he establish any facts relative
to the rumors. [REDACTED]
[REDACTED]

b2,
b7C,
b7D

BA 92-172

[REDACTED]

[REDACTED]

[REDACTED]

Inasmuch as subject was sentenced on April 15, 1915, to the Workhouse, New York City, for one year for possession of a revolv and due to his reported association with top hoodlums, subject WILL BE CONSIDERED DANGEROUS.

- RUC -

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: April 29, 1958

FROM : SAC, BALTIMORE (92-172)

71
SUBJECT: FRANK COSTELLO, was.,
Francisco Castaglia, Frank
Castello, Francesco Castiglio
(TN), Francisco Cataglia,
Francesco Costaglia. Murray H.
Hoffman, Frank Sampson, Fran-
cesco Saverio, Frank Saverio,
Frank Stello
ANTI-RACKETEERING

Enclosed for the Bureau, [REDACTED] and New York are two
copies each of the report of SA [REDACTED] at
Baltimore, this date. b7c

REFERENCE: Report of SA [REDACTED] New York, dated
March 6, 1958.

Two copies of this report are being furnished
[REDACTED] for information purposes since [REDACTED] reported
to be operating in [REDACTED] b7c

b7c [REDACTED]
b7c [REDACTED]
The files of the Baltimore Office reflect
no further information regarding "COSTELLO mob" mentioned [REDACTED]
other than that already reported by the New York Division.

② - Bureau (Enclosures 2) b7c

2 - New York (92-649) (Enclosures 2)
1 - Baltimore

ENCLOSURE

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Clayton
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URGENT

5-20-58

TO DIRECTOR

FROM SAC, CLEVELAND

201505

④ Anti racketeering, Office of Origin New York
FRANK COSTELLO, WAS., AR, OO NY.

RUC.

RECEIVED:

11:23 AM RADIO

11:47 AM CODING UNIT

REC-56 92-2869-31

EX-101

2 MAY 21 1958

Mr. Rosen

MR. ROSEN
AND SUPERVISOR
INVESTIGATIVE DIVISION

Called Ident

M

By

66 JUN 4 1958

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 5/21/58

FROM : SAC, NEW YORK (92-649)

SUBJECT: FRANK COSTELLO, was,
ANTI-RACKETEERING

b7c For the information of the Bureau, subject appeared in General Sessions Court, NYC, on 5/20/58, in connection with the trial of VINCENT GIGANTE, who is on trial for the attempted murder of subject on 5/2/57. In substance, subject testified that he does not know who shot him, that he knows of no human being who would have a motive, and he did not identify GIGANTE as his assailant.

b7c [REDACTED] Clerk, US Court of Appeals, Second Circuit, SDNY, advised on 5/21/58, that the US Court of Appeals on 5/20/58, unanimously affirmed the lower court's decision which denied subject's motion for a new trial on his 1954 conviction of income tax evasion. b7c

According to [REDACTED] COSTELLO has thirty days in which to file a Writ of Certiorari before this ruling becomes final.

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/55, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

② Bureau (92-2869)
1-New York (92-649)

(3)

REC-24

92-2869-32

MAY 22 1958

101-X7

57 MAY 29 1958

b7c

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 5/26/58

FROM : SAC, LOS ANGELES (92-118)

SUBJECT: FRANK COSTELLO, was.
ANTI-RACKETEERING

OO: New York

Re report of [REDACTED] April 16, 1958,
New York, entitled "Activities of Top Hoodlums in the United
States, Anti-Racketeering" and San Francisco letter to New
York, April 25, 1958, entitled "FRANK COSTELLO, with aliases,
Anti-Racketeering."

[REDACTED]

[REDACTED]

San Francisco advised
that any further developments would be furnished to New York
and Los Angeles.

REC-83

92-2869-33
23 MAY 28 1958

- ②-Bureau (AIR MAIL)
- 2-New York (92-649) (AIR MAIL)
- 2-Chicago (AIR MAIL)
- 2-San Francisco (92-53) (AIR MAIL)
- 3-Los Angeles (1-62-3891)

57 JUN 9 1958

b2

XXXXXX
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XXXXXXFEDERAL BUREAU OF INVESTIGATION
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LA 92-115

b7C
[REDACTED]

The above New York report names a sister of FRANK COSTELLO as SADIE COSTELLO who reportedly died in 1936. It is not known here if there is verification of that reported death, or if [REDACTED] may be identical. [REDACTED]

LEADS

NEW YORK

AT NEW YORK CITY

Is requested to ascertain the antecedents of [REDACTED] determining if possible, any relationship to or association with FRANK COSTELLO, New York Top Hoodlum. b7C

CHICAGO

AT CHICAGO, ILLINOIS

Is requested to provide a resume of information from office files regarding [REDACTED]

SAN FRANCISCO

AT SAN FRANCISCO, CALIFORNIA

Will provide any further developments in the matter discussed in reference San Francisco airtel. b7C

LOS ANGELES

AT LOS ANGELES, CALIFORNIA

Will provide any further developments learned here on this matter of funds being transmitted to COSTELLO, allegedly from an estate in Los Angeles.

Your expeditious attention is requested.

F B I

Date: 5/28/58

Transmit the following message via AIRTEL

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (92-2869)
FROM: SAC, NEW YORK (92-649)
SUBJECT: FRANK COSTELLO, was,
AR

For the information of the Bureau, VINCENT L. (CHIN) GIGANTE was acquitted by a jury in General Sessions Court, NYC, during the night of 5/27/58, for the attempted murder of FRANK COSTELLO on 5/2/57.

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/55, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

POWERS

③-Bureau (92-2869)
1-New York (92-649)

(5)

b7C

K

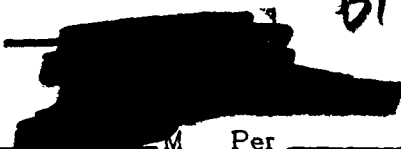

60 JUN 10 1958

REC- 58

EX-139

11 MAY 29 1958

b7C

Approved: 
Special Agent in ChargeSent  M Per 

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Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: JUN 6 1958

FROM : SAC, NEW YORK (92-649)

SUBJECT:

~~CHANGED~~

FRANK COSTELLO, was,
 Francisco Castaglia, Frank
 Castello, Francesco Castiglia,
 Francesco Castiglio, Francisco
 Cataglia, Francesco Costaglia,
 Murray H. Hoffman, Frank Sampson,
 Francesco Saverio, Frank Saverio,
 Frank Stello
 ANTI-RACKETEERING

Enclosed herewith are two copies of the report of SA
 dated and captioned as above.

Also enclosed herewith are five photographs of "Federal
 Detention Headquarters, Department of Justice, New York City,
 Interview Request forms purportedly bearing signature of subject,
 as well as handwriting and printing of subject.

2-Bureau (92-2869) (Encs. 7)

1-Boston (92-136)

1-Buffalo

1-Chicago (92-369)

1-Dallas (92-124)

1-El Paso

1-Jacksonville

1-Kansas City

1-Los Angeles (92-118)

2-Miami (92-113)

1-Newark (92-413)

2-New Orleans (92-41)

1-Oklahoma City

1-Philadelphia (92-455)

1-Salt Lake City (92-263)

1-San Francisco (92-53)

1-Savannah (92-54)

1-Washington Field Office (92-214)

4-New York (92-649)

REC-59

EX-108

20 JUN 10 1958

(25)

7 ENCLOSURE

REC-59

52 JUL 15 1958

EX-108 1484

REC Ret. and Destroyed
 12/5/58 #28

b7C

NY 92-649

REFERENCES

Report of SA [REDACTED], NY, 3/6/58.
Pittsburg letter to NY, 2/26/58.
Philadelphia letter to NY, 2/28/58.
Atlanta airtel to NY, 3/5/58.
Boston letter to NY, 3/5/58.
Los Angeles letter to NY, 3/10/58.
Salt Lake City letter to NY, 3/11/58.
Salt Lake City airtel to NY, 3/12/58.
Atlanta airtel to NY, 3/12/58.
NY letter to Albany, 3/13/58.
Legat Rome letter to Bureau, 3/14/58.
NY airtel to Bureau, 3/14/58.
NY letter to WFO, 3/14/58.
Bulet to NY, 3/17/58.
New Orleans letter to NY, 3/18/58.
Newark letter to NY, 3/19/58.
Cleveland letter to NY, 3/21/58.
Houston letter to NY, 3/27/58.
Detroit airtel to NY, 3/31/58.
Boston letter to NY, 3/31/58.
Albany letter to NY, 4/1/58.
Washington Field Office letter to NY, 4/3/58.
Chicago letter to NY, 4/4/58.
Birmingham letter to NY, 4/4/58.
NY letter to WFO, 4/9/58.
NY letter to Bureau, 4/9/58.
Los Angeles letter to Bureau, 4/11/58, with enclosed
report of SA [REDACTED] Los Angeles, 4/11/58.
Salt Lake City letter to NY, 4/11/58.
Savannah letter to NY, 4/14/58.
Cincinnati letter to Bureau, 4/15/58, with enclosed
report of SA [REDACTED] Cincinnati, 4/15/58.
Miami airtel to NY, 4/17/58.
Kansas City letter to Bureau, 4/18/58, with enclosed
report of SA [REDACTED] Kansas City, 4/18/58.
San Francisco airtel to NY, 4/25/58.
Richmond letter to Bureau, 4/28/58, with enclosed
report of SA [REDACTED] Richmond, 4/28/58.
Philadelphia letter to NY, 4/29/58.
Baltimore letter to Bureau, 4/29/58, with enclosed
report of SA [REDACTED] Baltimore, 4/29/58.
Dallas letter to NY, 5/7/58.
Salt Lake City letter to NY, 5/12/58.

All b7c

NY 92-649

ADMINISTRATIVE

Due to the bulkiness of this report, only one copy has been designated for most offices rather than the two copies usually designated.

For the information of the Buffalo, El Paso, and Jacksonville Offices, which offices have not previously received a copy of a NY report in instant matter, the following is noted concerning subject:

Subject naturalized as US Citizen 9/10/25, NYC, and denaturalization proceedings instituted in 1952. He has admitted he was a bootlegger prior to 1926 or 1927; he operated slot machines in NYC, from 1928, to 1933; became a betting commissioner in NYC, as he termed it; and he received \$60,000 from 1946, to 1949, for assisting in getting bookmakers out of Roosevelt Raceway, Westbury, NY. Subject has admitted he helped to secure Democratic nomination as Justice of NY Supreme Court in 1943, for THOMAS A. AURELIO; and at one time, had various friends who were in politics. Formerly reported that subject was the gang overlord of all crime and racketts in NYC, who would sit in judgment over all questions of jurisdiction between gangs and any dissension which might arise among the gangs. Subject reported to be of average intelligence and rather retarded educationally, testing at the fourth grade level.

b7D [REDACTED]

It is noted as set out in referenced NY report, that as a former business connection of subject, he was a partner of [REDACTED]

b7C [REDACTED]

b7C [REDACTED]

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
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92-2869-36 pg. 4

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NY 92-649

BUFFALO

CHICAGO

At Chicago, Illinois

Will report results of interview of [REDACTED]
[REDACTED] as to ownership of company, as set out

Will ascertain whether subject or wife LORETTA B. COSTELLO are owners of any shares of stock in Admiral Corporation, 3800 Cortland St. It being noted Mrs. COSTELLO may own or have owned 200 shares, 582,386 shares or possibly shares in value of \$5,823.86.

DALLAS

At Dallas, Texas

Will report results of investigation currently being conducted within your division, as set out in referenced NY report.

In addition, will conduct appropriate inquiry at County Clerk's office for the counties of Jones and Schleicher, for any record or information concerning subject. It is noted subject admitted before US Senate hearing in 1951, that he had oil interests in these counties.

EL PASO

At El Paso, Texas

Will conduct appropriate inquiry at County Clerk's office of Loving County for any record or information concerning subject. It is noted that subject admitted before US Senate hearing in 1951, that he had oil interest in this county.

JACKSONVILLE

At Jacksonville, Florida

Will report results of investigation as set out in referenced Los Angeles report.

NY 92-649

KANSAS CITY

At Topeka, Kansas

Will report results of investigation as set out in referenced Kansas City report.

At Kansas City, Kansas

Will report any additional information concerning subject as relating to his possible oil activity as set out in paragraph one and two under Kansas City lead in referenced NY report.

LOS ANGELES

[REDACTED]

b7C, D

MIAMI

At Miami, Florida

Will report results of investigation currently being conducted within your division as set out in referenced NY report.

Will ascertain whether subject or wife is still the owner of lots number 13 and 14, block number 39, Hollywood Lake Section, Broward County Florida. This reported to be recorded in plot book number 1, page 32, public records of Broward County, Florida.

[REDACTED]

b7D

NY 92-649

NEWARK

At Newark, New Jersey

Will contact General Office of Admiral Corporation, 497 New Jersey RR Ave., in an effort to ascertain whether subject or wife have or did have any shares of stock in Admiral Corp.

Will report results of investigation currently being conducted within your division as set out in referenced NY report.

NEW ORLEANS

At New Orleans, Louisiana

Will report results of investigation currently being conducted within your division as set out in referenced NY report.

OKLAHOMA CITY

Will report results of investigation as set out in referenced NY report.


NY 92-649

PHILADELPHIA.



At Philadelphia, Pennsylvania

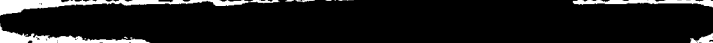

Will ascertain from Penn Mutual Life Insurance Company, 530 Walnut St., whether the company is the owner of property located at 505 Park Ave., NYC, or of the building commonly known as the Arabian American Oil Company Building. This is block 1394, lot 1. In this connection will conduct appropriate inquiry as to whether subject ever had any interest in this property. It is further noted as set out in referenced NY report that it was reported that subject had a large financial interest a few years ago, in the building being erected at 59th St., and Park Ave., NYC.

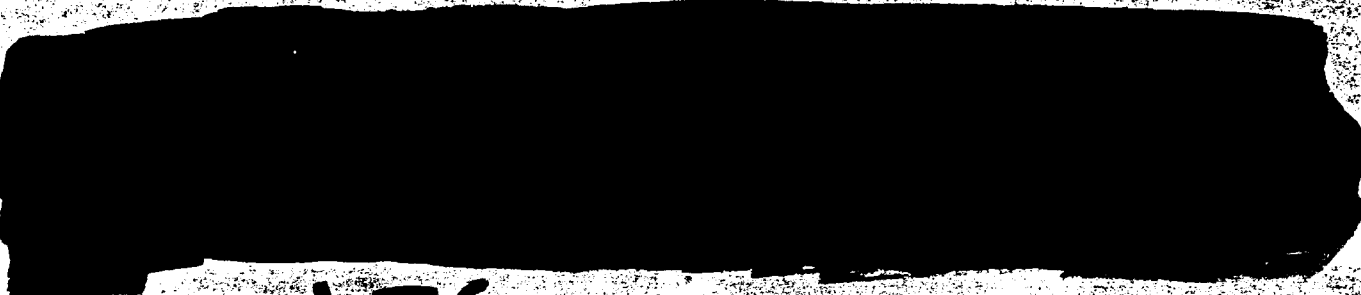
b7D
b2
b7C



Will report results of investigation currently being conducted within your division, as set out in referenced NY report.



b7C, D Unless reasons exist known to your office which would made it undesirable to conduct such an interview, will interview  for any information concerning subject,  of enclosed NY report.



NY 92-649

b2, b7C, D

SAVANNAH

At Brunswick, Georgia

Will report results of investigation currently being conducted at Brunswick, Georgia.

WASHINGTON FIELD OFFICE

At Washington, D. C.

Will report results of investigation as set out in referenced Los Angeles report.

NEW YORK At New York, New York

1. Will maintain contact with [REDACTED], for information relating to travel, activities, associates, and places frequented by subject.
2. Will prepare appropriate communication for transmittal through proper channels, for Legat, Havana, Cuba, to have conducted logical and appropriate investigation in Havana, with regard to any interest subject may have in Cuba.

NY 92-649

b7C,
D [REDACTED]

b7D [REDACTED]

5. Will check docket records of US District Court, SDNY, for additional information as to current status as to the denaturalization and income tax cases pending against subject.

6. Will report any additional information as results of investigation currently being conducted by NYO concerning Castro Convertible Corp., which might be pertinent to instant investigation. It is noted that in the Castro investigation, AUSA WILLIAM LYNCH, SDNY, contemplates issuing a subpoena for records of Castro Convertible Corp., in an effort to ascertain whether racketeers including subject, has or had any interest in Castro.

[REDACTED]

b7C 7. Will conduct inquiry at 115 Central Park West, Majestic Apartments, as to whether the apartments are cooperative.

8. Will prepare appropriate communication for the US Treasury Department at Chicago, Illinois, to ascertain whether subject or wife have any US Savings Bonds.

b7D,
E [REDACTED]

10. Will conduct inquiry at Admiral Corp., 625 West 54th St., for any information as to whether subject or wife have any shares of stock in Admiral Corp.

NY 92-649

11. Will conduct inquiry at Hughes and Bates, Surety Bonds, 76 William St., for any information relating to subject.

12. -Will conduct inquiry at Ruben, Fine, and Lessor, 225 West 57th St., for information concerning ownership of Hotel Madison, 21 East 27th St. **b7C**

13. Will contact [REDACTED] for information as to any connection of subject with Vacation Village, Grand Bahama Island. **b7C**

14. Will interview [REDACTED] Cohen-Manheimer Corp., 131 West 30th St., for any information as to subject, particularly, whether subject has any interest in this Co. **b7D**

[REDACTED]

[REDACTED]

b7C, D

18. Will conduct spot checks of subject in an effort to observe subject.

19. Will during the course of this investigation, attempt to obtain additional information as to the alleged "criminal combination", and any information which might connect subject with this combination.

20. Will report results of informant contacts.

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/15, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

FEDERAL BUREAU OF INVESTIGATION
FREEDOM OF INFORMATION/PRIVACY ACTS SECTION

SUBJECT: FRANK COSTELLO

FILE NUMBER: 92-2869 SECTION 5

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE NEW YORK	OFFICE OF ORIGIN NEW YORK	DATE JUN 6 1958	INVESTIGATIVE PERIOD 2/20, 21, 26, 28; 3/4, 7, 12-15, 17-21, 24-28; 4/2-4, 7-11, 14-18, 21-25, 28-30; 5/1, 2, 5-10, 12-16/58
TITLE OF CASE CHANGED FRANK COSTELLO, was, Francisco Castaglia, Frank Castello, Francesco Castiglia, Francesco Castiglio, Francisco Castaglia, Francesco Castaglia, Murray H. Hoffman, Frank Sampson, Francesco Saverio, Frank Saverio,		REPORT MADE BY [REDACTED] TYPED BY [REDACTED]	
CHARACTER OF CASE ANTI-RACKETEERING			

SYNOPSIS: **Frank Stello**

Subject, as FRANCESCO CASTIGLIA, born on 2/18/91, at Cassano Ionico, Cosenza, Italy. No school record located at Public School 82, NYC, which could be identifiable with subject. Subject continues to reside with his wife LORETTA B. COSTELLO, in Apt., 18F, Majestic Apartments, 115 Central Park West, NYC. Subject has no known regular place of employment. Subject's 1954 conviction of income tax evasion argued before US Court of Appeals, SDNY, 3/14/58. Subject attempted to have conviction set aside in favor of new trial, however, subject continued free in \$25,000 bail. US Supreme Court dismissed Government's denaturalization case against subject on 4/8/58, as Government had failed to file on time, an affidavit "of good cause". Other legal actions involving subject set out. Reported former acquaintances of subject set out. Current associates include [REDACTED]

Testimony of subject before US Senate Special Committee to Investigate Organized Crime In Interstate Commerce, set out. Investigation has failed to disclose subject to have financial interest in reported hotels and other business firms, NYC. The subject

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IN CHARGE

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92-2869-37

20 JUN 10 1958

**MCT-46
REC-23**

REC-59

5 ENCLOSURE

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62 JUN 25 1958

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NY 92-649

(Synopsis contd.)


continues to frequent the better supper clubs in the vicinity of Waldorf-Astoria Hotel, NYC, where he dines and drinks while he converses with [REDACTED] b7c
D

[REDACTED] Subject travels almost exclusively by taxicab. Miscellaneous information relating to subject as well as a current description of subject, are set forth. INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/15, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

-P-

-lb-

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DETAILS: AT NEW YORK, NEW YORK

The title of this report has been marked "Changed" to reflect the true name of the subject as FRANCESCO CASTIGLIA, as according to official records in Italy.

A. Personal History and Background

1. Birth

[REDACTED] a source abroad, made available information on March 14, 1958, that FRANCESCO CASTIGLIA (FRANK COSTELLO) was born on February 18, 1891, at Cassano Ionico, Cosenza, Italy. His parents were listed as being LUIGI and MARIA ALOISE. b2

2. Education

As previously set out in a New York report in instant matter, subject indicated that he had attended Public Schools 82 and 108 in New York City; however, he had discontinued school at the age of fourteen, at which time he was in the third or fourth grade.

b7c [REDACTED] Public School 82, New York City, located at 1st Avenue and 70th Street, advised that the general indices as checked for the subject's name, as well as his aliases, including the last name CASTIGLIA, failed to reflect any record for subject.

[REDACTED] made available to SA [REDACTED] on this same date, books reflecting dates entered and dates discharged from this school. These books for the years 1886 through 1913 were checked and no record was located identifiable with subject under his true name or aliases. It is noted, however, that the records indicated that one FRANK COSTELLO was admitted to this school on February 1, 1895, and was discharged on April 14, 1897. His age at the time of his admittance was indicated as nine years of age. Another FRANK COSTELLO was admitted on May 17, 1897, and his age at the time

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was indicated as twelve. It is noted that inasmuch as subject was born in 1891 it appears that he is not identical with either of these FRANK COSTELLOS.

Concerning the school records appearing in the school record books dating from 1886 to 1913, it was observed that these records have been torn, some are missing, many are badly mutilated, and some are stuck together. It is also noted that records back in the late 1800's and early 1900's indicate only the name of the student, the date he entered the school, and the date he was discharged. No additional information is set out in these records; however, in some instances, the parents' names are indicated.

Miss CATHERINE SMITH was contacted at Public School 82 on March 7, 1958. Miss SMITH stated that she taught in this school from 1895 until 1945; however, she is now eighty-two years of age and has been retired as a teacher from this school for several years. She stated, however, that she returns to this school each Friday and assists the principal in doing various office work. She also indicated that the records of former school students maintained in the books dating back in the late 1800's and early 1900's would not indicate any information regarding the student, other than the date he entered school and the date he was discharged. She stated that in a few instances the age of the student is indicated, as well as the names of his parents and possibly his address. Miss SMITH added that subject was unknown to her.

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[REDACTED] Public School 108, 1615 Madison Avenue, New York City, advised on March 24, 1958, that Public School 108 had been in existence for only five years. She stated that this was the only Public School 108 in Manhattan and there was not previously a Public School 108.

3. Citizenship

As previously reported, FRANK COSTELLO filed his Petition for Naturalization No. 61756 in the United States

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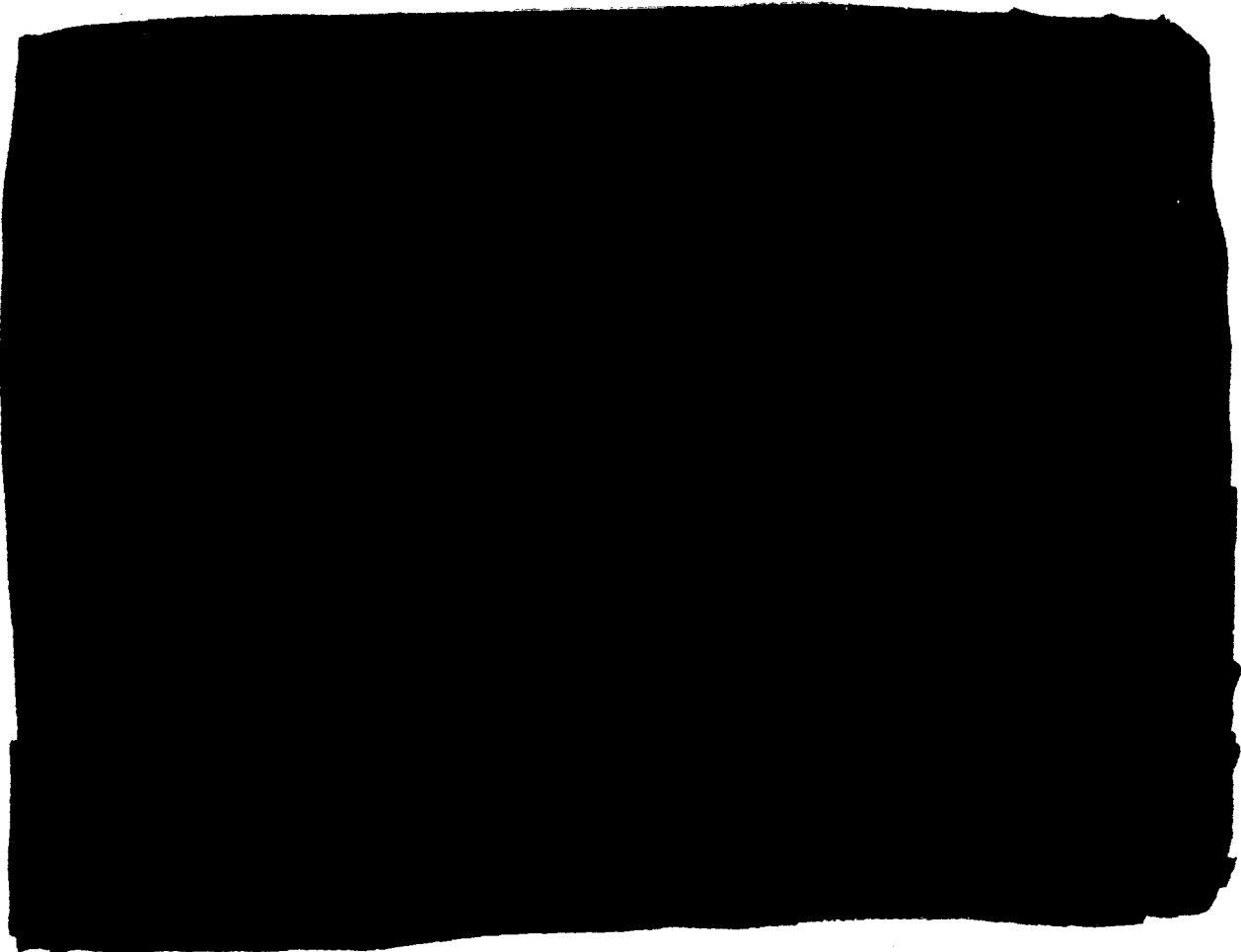
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District Court, Southern District of New York, on May 1, 1925, and he was naturalized an American citizen on September 10, 1925, under Certificate No. 2136470.

Additional information as to his current citizenship status as a result of denaturalization proceedings is set out in this report under "Legal Actions Involving Subject."

4. Residence

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An article appearing in the "Long Island Daily Press" of March 13, 1958, related "that gambler FRANK COSTELLO is considering selling his home in Sands Point, now that he has bought a Manhattan co-op apartment."

b7c [REDACTED] New York County Court of the Supreme Court, Foley Square, New York City, advised on April 7, 1958, that in New York the ownership of property is not listed by name, but is listed by plots. He added that a mere check of an individual's name through the indices would not reveal whether this individual owned property in New York.

A check was made at the Registers Office, Hall of Records, 31 Chambers Street, New York City, on April 7, 1958, in an effort to determine the ownership of the New York Majestic Corporation. It was ascertained that the New York Majestic Corporation is located in Block 1124, Lot 27, Manhattan, and that LLOYD E. LUBATKIN is listed as president of the New York Majestic Corporation, located at 115 Central Park West, New York City.

b7c [REDACTED] Registers Office, advised on the same date the records indicate that the New York Majestic Corporation is still the owner of Block 1124, Lot 27, which is located at 115 Central Park West, New York City. He added that in the event that this property becomes a cooperative building, each individual owner would be required to register his individual apartment ownership, and that this has not been done as of this date.

b7c [REDACTED] Multiple Dwelling Unit, Housing and Buildings of New York City, located in the Municipal Building, advised on April 7, 1958, that Registry No. 127466,

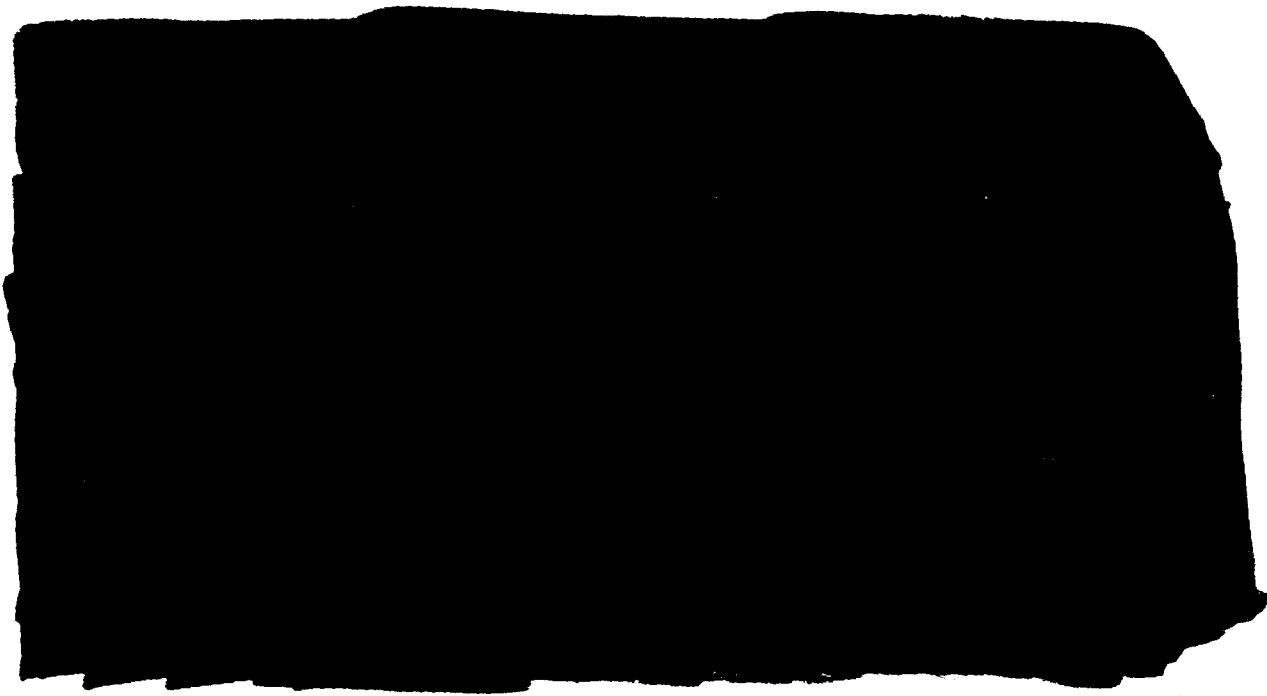
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Zone 23, for the Borough of Manhattan, reflects that the New York Majestic Corporation owns the property located at 115 Central Park West, New York City. According to [REDACTED] b7c
CLIFFORD G. ROWLAND is the managing agent. His business is located at 115 Central Park West and his home is located at 6 Mayhew Avenue, Larchmont, New York. LLOYD E. LUBETKIN is president of this corporation. His business is indicated as being at 30 Pine Street and he resides at 115 Central Park West. NORMAN E. KING is listed as secretary. His business is located at 111 East 56th Street and his home is located at 66 Milton Road, Rye, New York. EDWARD M. BENTON is listed as secretary. His business is located at 595 Madison Avenue and his home is located at 731 East 26th Street, Brooklyn, New York. SIDNEY DAVIS is treasurer. His business is indicated as being at 1501 Broadway, New York City, and his home is located at 444 East 52nd Street, New York City.

It is noted that, according to these records, this registry reflecting this information was signed on February 8, 1957.

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Real estate records show property located at this address was purchased under the New York Majestic Corporation name on July 1, 1937, and the assessed value, 1956-1957, was \$4,555,000. A statement of net profit for the six months ending September 30, 1956, reflected gross receipts \$489,162, deductions from receipts \$369,370, with a net profit for the period of \$119,792.

LLOYD L. LUBATKIN is president; EDWARD M. BENTON is vice-president and secretary; SIDNEY M. DAVIS is vice-president and treasurer, and NORMAN G. KING is assistant secretary.

LUBATKIN is forty-four years of age, is married, and was employed in the building and construction line latterly as secretary of A. W. Schwartz Building and Construction Company. He was later vice-president and treasurer of Seligman Lubatkin and Company.

EDWARD BENTON is an attorney, with offices at 60 Broadway, New York City. SIDNEY M. DAVIS is also an attorney, and NORMAN G. KING was elected an assistant secretary in April, 1953, who was formerly manager of the Majestic Apartments.

An article appearing in the "New York Post" on May 6, 1958, reflects that, "Fellow tenants of gambler Frank Costello in the swank Majestic Apartments, 115 Central Park West, are battling a plan to turn the 31-story luxury building into a cooperative, it was learned today.

"Costello, however, doesn't figure in their objections. They just don't like the whole idea. They especially don't like it that under the plan the present owners would continue as managers of the building at \$22,000 a year.

"According to Robert L. Burnstine, chairman of the 79-member Majestic Tenants Protective Committee, an order will be sought Monday in Supreme Court, staying the building owners, N. Y. Majestic Corp., from proceeding with plans to

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"sell to the tenants for about \$6 million.

"Mr. Burnstine said the N. Y. State Rent Control law requires that 35 per cent of the tenants must subscribe to a cooperative within six months or the plan must be dropped. The six months, he said, were up March 3, and the subscribers listed by N. Y. Majestic reached the 35 per cent mark only by virtue of 15 tenants whose apartments were already de-controlled.

"These 15 tenants, Mr. Burnstine said, should not be counted in figuring the 35 per cent.

"Members of the tenant's group fighting the cooperative plan include comedian Ted Lewis, bandleader Buddy Clarke and author Leo Cherne. Costello is one of about 70 tenants who have already agreed to purchase their apartments for down payments ranging from \$8000 to \$10,000."

An article in the "New York Sunday News" of June 25, 1944, reflects that COSTELLO had recently bought for \$15,000 and the assumption of a \$16,000 mortgage, a 12-room house on Barkers Point Road, Sands Point, Long Island, New York. The COSTELLOs also bought the furnishings from the former owner of the house, who has left the state.

In addition, the "New York Herald Tribune" of June 22, 1944, stated that COSTELLO paid \$15,000 in cash for the well-landscaped plot of more than an acre, and assumed a \$16,000 mortgage already on the property. The sale was made on May 13, 1944, and the property is in the name of COSTELLO's wife, LORETTA. The former owner was F. I. BROWN, a businessman, who is now in Mexico. The property is not far from the Sands Point Bath Club. Near neighbors of the COSTELLOs, who refused to be quoted by name, said that they knew the identity of the new settlers some weeks ago. Other Sands Point residents, living farther away, had not heard the news, but none of the residents seemed very excited.

Mayor CLIFTON S. THOMPSON, of Sands Point, was not particularly concerned either way. He did comment that the price was about right for the house, which is fairly new, and has two servant's rooms over the attached garage.

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In an article appearing in "Newsday" of June 1, 1950, it was noted that, "Sands Point - Some of the richest and most important people in the world live in Sands Point-- a peninsula bounded on three sides by water and dotted on all sides by the estates of the socially wealthy and the just plain wealthy. On one of the smaller estates lives just-plain-wealthy FRANK COSTELLO, variously described as the nation's biggest gambler; as the sinister figure who rules an international crime syndicate; as the man of mystery who makes and breaks politicians."

A "Newsday" article of June 1, 1950, by JACK ALTSCHUL, entitled "A Day with the Sands Pt. Costellos," in part, reflects FRANK COSTELLO as saying, "You know, I haven't seen the late show at a nightclub in 15 years. I go in for the dinner show, leave about 10 o'clock. Most any night I'm in bed by ten, ten-thirty. Just goes to show you, one newspaper guy swears he seen me coming out of a nightclub at three o'clock with some character. Out of that comes a story I was behind that killin' in Kansas City. I swear I haven't been in a nightclub after ten, ten-thirty for 15 years."

"All this stuff about a syndicate," he said and you could feel he would have said "bah" if he spoke that way. "So I know a lot of gamblers and other people. So I know them and so does a lot of other people. Col. Bradley knew a lot of people, too, but he was a respectable gambler."

"He was warmed up, now, and he spoke with a quiet passion."

"Look whadda I need with a syndicate. I got all the money I'll ever need. So when I was a kid in Harlem, it was fashionable to carry a gun. So they passed a new law, the Sullivan law. And I did a bit. Only time. That makes me a criminal. Look, my folks brought me from Italy when I was two years old, and we lived around 110th Street in Harlem, a real tough neighborhood. So today I live on 78th Street, Central Park West. How many blocks is from 78th to 110th? Thirty-two and I've lived inside those 32 blocks in my life. Not guys like Jack Diamond, who went to Detroit, and Al Capone

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"who went to Chicago. What kind of national syndicate am I runnin' in 32 blocks?


"So," he said, "in Prohibition you was on one side of the bar and I was on the other, making money. I never went to school but I graduated seven times from the school of hard knocks. They're after me, but what's the difference.

"His favorite card game coincided with mine, and I talked him into playing me a game of klabiash--known in betting circles as a card-player's card game. 'I got to watch my reputation,' he said good-humoredly. 'I don't think I ought to play.'

"No," I said. "I'd like to brag I beat Frank Costello playing klabiash if I can."

"We played and I won because the hands I picked up were better than his. 'You're the champ,' he said. We said goodbye and he asked my wife, 'What're you gonna have--a girl or a boy?'

"She thought a girl, and he called after us, 'You got it. Costello can rig anything.'"



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The subject's residence located on Barkers Point Road, Sands Point, Long Island, New York, was observed by SAS [REDACTED] and [REDACTED] on April 9, 1958. It was noted that Barkers Point Road runs from Cow Neck Road down to Manhasset Bay and Long Island Sound. The Sands Point Country Club and Golf Course is within a few blocks of the subject's residence. Barkers Point Road is a tree-lined road and the entire area is heavily wooded. Subject has a neighbor on each side of his home whose homes may be a little more expensive homes than subject's home. There is no residence located in front of subject's home, which is a heavily wooded area.

Subject's home is located on high ground within several blocks of the Manhasset Bay. Subject's home is a 12-room colonial of red brick, with white clapboard wings. There is a sign in the driveway on a post reflecting "F. COSTELLO." There are many trees around subject's property, as well as a wooded area to the rear of his property. There are many trees and bushes in his yard and his property appears to be well kept. A split-rail fence is on the right side of his property and a picket fence is in the rear and on the other side of his property. These fences appear not to have been erected with the intention of keeping out intruders.

Photographs of the subject's home were taken on April 9, 1958. Copies of these photographs are being maintained by the New York Office in instant file.

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On Saturday, May 10, 1958, SA [REDACTED] b7C
observed that the automobile of [REDACTED]
[REDACTED] was in the driveway of subject's residence on
Barkers Point Road, Sands Point. Subject was not observed,
however, at his residence on this date.

5. Employment

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6. Relatives

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It is noted that additional information concerning subject's relatives has previously been set out in various New York reports in instant matter.

B. Criminal Record

1. Former Place of Incarceration

- a. United States Penitentiary,
Atlanta, Georgia

The Atlanta Office advised on March 12, 1958, that a review of the records concerning subject at the United States

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Penitentiary, Atlanta, Georgia, had previously been made on December 10, 1957, at which time it was ascertained that subject's record had been transferred to the Federal Correctional Institution, Milan, Michigan, on December 26, 1952. COSTELLO, while confined at the United States Penitentiary in Atlanta, was inmate number 72866-A.

It is noted that the subject's records concerning his confinement at the United States Penitentiary at Atlanta, as well as his record concerning his confinement at Milan, Michigan, have previously been reviewed and reported in instant matter.

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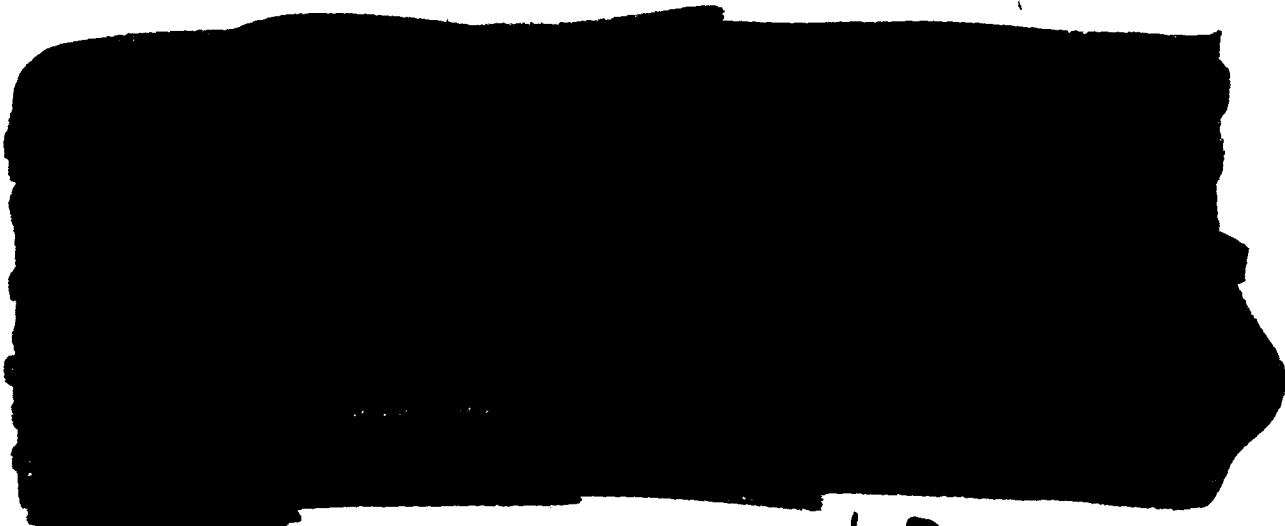
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2. Legal Actions Involving Subject

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a. Income Tax Matters

It is noted, as previously reported, that the United States Court of Appeals, Second Circuit, New York City, on January 6, 1958, continued subject free on \$25,000 bail, pending argument on appeal of his 1954 conviction of Income Tax evasion. The court also ordered that the appeal of COSTELLO be put on the court calendar for argument during the week of March 10, 1958.

During the morning on March 14, 1958, subject's case concerning his 1954 conviction for evasion of Income Taxes, was argued before the United States Court of Appeals, Second Circuit, Southern District of New York. EDWARD BENNETT WILLIAMS represented the subject, and Assistant United States Attorney ARTHUR H. CHRISTY presented the Government's case. Subject, through his attorney, was attempting to have his 1954 conviction set aside in favor of a new trial.

WILLIAMS, in substance, presented the following points as grounds for having the conviction set aside:

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(1) The Government presented evidence during the trial which was obtained as a result of a wire tap on COSTELLO's telephone. (2) The Government caused a delay in delivery of subject's mail to his residence as a result of a mail cover having been placed on his residence. (3) The Government had scrutinized the Income Tax returns of jurors that returned the conviction against subject.

Assistant United States Attorney CHRISTY, in substance, argued that the Government had presented sufficient evidence to sustain a successful prosecution, even excluding the wire tap evidence. The Government did not cause a delay in the delivery of subject's mail, that a mail cover is legal--it is authorized. The mail cover was not used for any unlawful purpose, and it is further an investigative technique. He argued that the Income Tax returns of the prospective jurors were scrutinized so that if it was ascertained that any prospective juror was having any difficulty with the Internal Revenue Service, a peremptory challenge might be used with regard to this juror. As far as the jurors were classified, CHRISTY argued that it was only a classification in the mind of the Assistant United States Attorney then trying the case, and only he knew the basis of his own classification of the prospective jurors.

WILLIAMS argued that CHRISTY had filed his brief on the preceding Wednesday, and he desired to have an additional ten days in which to file his brief. The court gave WILLIAMS until the following Monday to file his brief. The court did not reach any other decision at this time with regard to granting or denying a new trial for subject, as the court reserved decision on a motion to set aside a lower court ruling which denied COSTELLO a new trial.

It is noted that JAMES P. O'CONNELL, subject's friend, sat beside subject during the court proceedings and was observed with the subject outside the courtroom. It is noted that O'CONNELL is an impressive, pleasant appearing individual, approximately sixty-two years of age, has white hair, 6' 2" in height, weighs approximately 210 lbs., has a ruddy complexion and a pock-marked face. He was neatly

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dressed and was observed wearing a homburg hat. O'CONNELL was later observed, after he had departed from the courthouse, in a light blue-grey 1955 Mercury automobile, bearing 1958 New York State license OC-109.

The subject was observed by SA [REDACTED] b7c on March 14, 1958, at the Federal Courthouse. Subject at this time was very neat in appearance and wore black horn-rimmed glasses. He was not wearing these glasses during the entire period of observation, inasmuch as his glasses were in his hand some of the time. Subject was observed wearing a ring on his little finger of his left hand and he more or less kept his hands together, constantly fidgeting his fingers.

b7c [REDACTED] Criminal Clerks Office of the United States Attorney's Office, of the Southern District of New York, advised on March 25 and on May 7, 1958, that the United States Court of Appeals had not, as of these dates, reached a decision with regard to subject's income tax case.

b. Attempts to Denaturalize Subject

It is noted, as previously reported, that the Government's case in an effort to denaturalize the subject is currently pending before the United States Supreme Court.

b7c [REDACTED] Immigration and Naturalization Service, 70 Columbus Avenue, New York City, advised SA [REDACTED] b7c on April 4, 1958, that the Government's case in an effort to denaturalize the subject was still pending before the United States Supreme Court.

In an article appearing in the "New York Herald Tribune" of April 8, 1958, the following is noted:

"The Supreme Court today dismissed the government's denaturalization case which sought the deportation of racketeer FRANK COSTELLO. The decision, based on a technicality, was unanimous.

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"COSTELLO, reportedly the boss of a nation-wide gambling and rackets network, became a citizen in 1925. The sixty-six-year-old gambler was born in Italy, where his name was FRANCESCO CASTIGLIA. In 1952, then Attorney General JAMES P. MC GRANERY brought suit to revoke COSTELLO's citizenship, charging that he had concealed a previous criminal record in his application.

"The Supreme Court threw out the case on the ground that a document called an affidavit of good cause, showing the government's evidence against the accused, had not been filed on time. The court ignored completely the contention by COSTELLO's attorney, EDWARD BENNETT WILLIAMS, that the case was invalid because it was 'permeated by wire tapping.'

"Along with the COSTELLO case, the Supreme Court dismissed two other citizenship cases on the same ground.

"COSTELLO still has pending against him a five-year sentence for income tax evasion, of which he has served eleven months. He is free in \$25,000 bail, granted in March, 1956. Last month, the Court of Appeals heard arguments by Mr. WILLIAMS, who contended that the government had used wire tapping, screened mail and hand-picked the jurors in setting up the income tax case. The court reserved decision.

"On May 2, 1957, an unidentified gunman made an attempt on COSTELLO's life in the lobby of his home, an apartment building at 115 Central Park West, New York. The gunman was never caught, but COSTELLO has had a permanent guard of city detectives ever since.

"A Justice Department spokesman said today that no decision has yet been reached on whether to reinstate the case against COSTELLO, which the department can do if it chooses. Both Justice Department and Immigration Service experts will have to study the situation first, the spokesman said.

"In New York, United States Attorney PAUL W. WILLIAMS, who inherited the case when he took office, said:

"What I shall do in the future will depend on my study of the opinion and our evidence to see if we can comply

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"with the law. I will also take the matter up with the Department of Justice in Washington."

"Mr. Williams explained that the Supreme Court's decision was based on a provision of the Mc Carran Immigration Act, passed in June, 1952, which required that the affidavit of good cause be filed when a denaturalization suit is begun. Before that, Mr. WILLIAMS said, the affidavit was customarily filed when such a case came to trial, and it was this procedure that was followed in the COSTELLO case.

"The United States Attorney said the old procedure was used with the COSTELLO papers, first filed in October, 1952, because the new law did not go into effect until Dec. 1 of that year. But the Supreme Court said:

"An affidavit showing good cause is prerequisite to the initiation of a denaturalization proceeding. The affidavit must be filed with the complaint when the proceedings are instituted."

"In September, 1956, District Judge EDMUND L. PALMIERI had dismissed the case against COSTELLO on the ground that the affidavit filed by the government was based on wiretap evidence. He rejected the government's request that it be allowed to file a new affidavit. The Court of Appeals reversed the decision, holding that Judge PALMIERI should have allowed the new affidavit to be filed."

An article appearing in the "New York Times" of May 2, 1958, reflects the following:

"The Government reinstituted its denaturalization suit yesterday in Federal Court against FRANK COSTELLO. If the 67-year-old gambler were stripped of his citizenship, he would be subject to deporting to his native Italy.

"United States Attorney PAUL W. WILLIAMS said the new action was drawn to meet the objections of the United States Supreme Court. On April 7 the Supreme Court threw out a previous action on a technicality.

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"After that action was brought the Government had filed affidavits supporting its contention that a fraud had been perpetrated. The Supreme Court held that the affidavits and the suit had to be filed contemporaneously.

"In the new action Assistant United States Attorney MORTON S. ROBSON contended as before that COSTELLO had fraudulently obtained his naturalization papers on Sept. 10, 1925.

"COSTELLO assertedly testified falsely before a naturalization examiner that at the time he was dealing in real estate, 'whereas in truth his occupation was the illicit purchase and sale of alcohol.' The gambler also was said to have concealed a police record of three arrests for robbery and one conviction for possession of a revolver. He further failed to say that he was known as FRANK STELLO and FRANK SAVERIO, it was contended.

c. Attempt on Subject's Life

It is noted that VINCENT L. (THE CHIN) GIGANTE, of 134 Bleecker Street, New York City, was sought by the New York City Police Department on an attempted murder charge until his surrender on August 19, 1957. He pleaded innocent on August 29, 1957, to an indictment charging him with attempted murder in the shooting of FRANK COSTELLO on May 2, 1957. He was released on \$100,000 bail on September 18, 1957.

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Inquiry was made on March 20, 1958, at the General Sessions Court, Manhattan, and information was received that

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the trial of GIGANTE had been adjourned to April 28, 1958.

An article appearing in the "New York Daily News" of April 29, 1958, reflects the following:

"The trial of VINCENT (THE CHIN) GIGANTE, 29-year-old ex-pug, on an attempted murder charge in the bullet-creasing of racketeer FRANK COSTELLO's skull last May 2, was begun technically yesterday with the selection and swearing of a juror in General Sessions.

"Judge JOHN A. MULLEN then put the case over until May 12 to permit defense counsel MAURICE EDELBAUM to complete a trial in which he is engaged in Federal Court.

"The juror picked was JOHN F. BYRNE, of 500 W. 110th St., who is assistant to the director of public relations of the City Department of Commerce and Public Events.

"GIGANTE, an ex-con weighing about 230, surrendered last Aug. 19. Authorities were seeking him as the "fat man" described as having left the shooting scene.

"COSTELLO was wounded slightly by a single bullet as he entered the lobby of his apartment house at 115 Central Park West. He has maintained steadily that he could not identify his assailant.

"Only six of 150 talesmen drawn for the trial were called to court yesterday, as Assistant District Attorney ALEXANDER HERMAN, Homicide Bureau chief, as well as the defense, knew a recess was to be taken.

"COSTELLO did not appear."

d. Contempt Before Grand Jury

It is noted, as previously reported, that General Sessions Judge JACOB GOULD SCHURMAN, New York City, sentenced the subject on May 7, 1957, to a thirty-day sentence for contempt before a Grand Jury investigating the attempted

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murder against subject on May 2, 1957. It is noted that subject served fifteen days of this sentence and was released from Rikers Island Penitentiary, New York City, on May 22, 1957.

It is noted that the "New York World Telegram and Sun" of April 29, 1958, reflects the following:

"Frank COSTELLO today fought a 30-day contempt of court sentence before the Appellate Division, contending that a 'gross casino wins' slip found in his possession after he was shot last May was seized illegally by police and should not have been used in questioning him.

"Dressed in a gray suit and wearing heavy horn-rimmed glasses, the former racket czar sat in court as his Washington attorney, EDWARD BENNETT WILLIAMS, launched an all-out attack on the contempt sentence.

Mr. WILLIAMS stressed that Supreme Court Justice EDGAR J. NATHAN had written when he freed COSTELLO in bail that the tell-tale slip listing \$651,284 in casino wins 'had been illegally obtained by police officers in the course of an unlawful search.'

"Citing this ruling, Mr. WILLIAMS argued that the 'illegal seizure' barred authorities from using the slip in questioning COSTELLO. He also contended that the 'grant of immunity' offered COSTELLO by the grand jury to get him to testify wasn't of much use to him because it would not have protected him against later actions in Federal Court.

"CHARLES W. MANNING, assistant district attorney, told the court that 'we do not for a moment concede' the casino wins slip was illegally lifted from COSTELLO's pocket. He also argued that the immunity offered COSTELLO 'was the maximum which the state could grant.' The court reserved decision."

In an effort to review the files pertaining to the subject's contempt of Grand Jury case in General Sessions

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Court, New York City, on April 7, 1958, [REDACTED] General Sessions Court Clerk's Office, advised the file would not be available for review inasmuch as a court order would be necessary for this review. It is further noted that the Honorable JOHN A. MULLEN, Justice, General Sessions Court, New York City, informed on April 7, 1958, that he respectfully declined to make this file immediately available for review inasmuch as the trial of GIGANTE concerning the attempt on the life of FRANK COSTELLO was scheduled to begin before him on April 28, 1958.

C. Acquaintances and Associates of Subject

1. Reported Former Acquaintances or Associates of Subject in the New York City Area

It is noted, that previous reports in instant matter have set out reported former acquaintances and associates of subject in the New York City area; however, the following additional individuals are noted:

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It is noted that PHILLIP FRANK KASTEL, as well as information concerning his association with subject, has been previously set out in New York reports in instant matter. In addition, the following is noted, which is set out as a result of investigation having been conducted by the New Orleans Office dated March 28, 1958, concerning KASTEL, a top hoodlum of the New Orleans Office:

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The following information was reflected in New Orleans report dated March 28, 1958, concerning PHILLIP FRANK KASTEL:

The New Orleans "Times-Picayune" newspaper of Friday, January 26, 1951, recorded testimony of KASTEL before the U. S. Senate Investigating Committee, which reflected in part that KASTEL's records reflected a profit from the casino of the Beverly Club of \$677,550.58, for the year 1949, but

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loss from the restaurant was listed as more than a half of a million dollars.

FRANK COSTELLO was described by KASTEL as "doing good will for the club" by telling people that they need to patronize it.

The New Orleans "Times-Picayune" of January 26, 1951, described KASTEL as follows:

"The Kefauver Committee Thursday night encountered a reluctant and sometimes defiant witness in the person of PHIL KASTEL, manager of the swank Beverly County Club.

"But in the course of a two-hour grilling, the committee elicited from KASTEL the admission that he was affiliated with FRANK COSTELLO, notorious gambling figure nationally, in a number of local enterprises, among them the Beverly Club.

"And it drew from KASTEL the fact that his long-term affiliation with COSTELLO included partnerships in the now defunct Bayou Novelty Company, Pelican Novelty Company, and the Louisiana Mint Company, all of which reputedly distributed slot machines, and the Crescent Music Company, which distributed music boxes.

"The grilling of KASTEL by DOWNEY RICE, chief legal counsel for the committee, was punctuated by numerous refusals to answer questions propounded on the grounds that it might incriminate him.

"In this he was vigorously upheld by his attorney, JAMES O'CONNOR, JR., who protested on numerous occasions that the questions were immaterial and irrelevant. Ld.

"O'CONNOR clashed frequently with RICE and Senator ESTES KEFAUVER, Committee chairman, on the admissibility of the questions. He took issue with Senator KEFAUVER's assurance that testimony given at the hearing could not be used in future legal proceedings.

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"KASTEL said he was born in New York in 1898, but demurred when asked if he had ever used an alias.

"I might have,' was the only response.

"He said he had lived in Connecticut and engaged in the liquor business there 'around 1933.' The admission came only when KEFAUVER insisted he answer the question, which KASTEL previously had refused to answer.

"He said he was connected with Alliance Distributors, an affiliate of the William Whitley Company of Glasgow, Scotland. He said that he had a 'substantial interest' in the foreign firm.

"During the grilling, RICE referred to a \$325,000 note allegedly endorsed by KASTEL and COSTELLO, and made out by the company to WILLIAM HELIS, late oil millionaire and sportsman.

"To all queries about the note, KASTEL took refuge in 'it was so long ago I don't remember,' with an occasional and caustic 'why don't you ask him.'

"KASTEL said he had been a partner in the Bayou Novelty Company with G. R. BRAINERD, since deceased, and DUDLEY and HAROLD GEIGERMAN, brothers-in-law of COSTELLO.

"RICE asserted that in 1934, a New York bank was authorized by the Mills Novelty Company of Chicago to transfer \$75,000 in stock to the account of KASTEL. He asked KASTEL to confirm it.

"KASTEL retorted testily that 'I can't remember what I did two weeks ago. How do you expect me to remember that far back?'

"Then RICE drew from him the fact he had been connected with the Pelican Novelty Company, which succeeded the Bayou firm. And he conceded that COSTELLO had an interest in the

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"firm, together with himself and DUDLEY ~~GEIGERMAN~~. Asked whether JAMES BROCATO (JIMMIE MORAN) had an interest, he replied heatedly that 'that is a technical question, I am not going to lay myself open to perjury.'

"He names as partners in the Louisiana Mint Company, himself, COSTELLO, JACK ~~LANSKY~~, DUDLEY ~~GEIGERMAN~~, RICKERFOR, and THOMAS ~~HILL~~ and PETER ~~HAND~~, the last two New Orleans political figures.

"KASTEL admitted under pressure of RICE and KEFAUVER that the mint company had sued the city for \$117,000 in 1946 for the destruction of some 650 slot machines seized. He denied that there were any other machines belonging to the firm.

"The 650 machines, which he said were stored at 2601 Chartres, were all off location and undergoing repair and renovation when they were seized, he said.

"He said that the Beverly Country Club was 'a restaurant and night club,'

"'Anything else?' he was asked.

"'It sells liquor.'

"'Does it have a gambling casino?'

"'I refuse to answer.'

"He said that Beverly employs 120 to 130 'boys,' but he could not say what the weekly pay roll was without the record.

"RICE said the records showed that the restaurant income at Beverly for the fiscal year ending in November, 1949, was \$494,038.65, while the expense claimed was \$1,093.989, an operating loss in excess of half a million.

"At the same time, he said, the casino allegedly

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"took in \$939,119, against expenses of \$261,568.42 for the same period. He estimated the profit from the casino at \$677,568.

"At this point, the income tax question was injected, and O'CONNOR's protests followed:


"The witness was asked about various employees of the club, and gave their employment in some cases, but in others refused to answer. This apparently related to those employees who work in the gambling casino.

"Sheriff FRANK J. CLANCY of Jefferson Parish, he declared, has never been in the Beverly Club to his knowledge. Asked if it is true that the club operates outside the law, he refused to answer the question. He also refused to answer a question as to how it was arranged, but denied that the club pays money to any law enforcement officer, either directly or indirectly.

"The witness said he maintains two rooms at the Roosevelt Hotel and that part of the expense is paid by the club, because business is transacted there. Beds are in the rooms, he said, but he does not sleep there. Asked if FRANK COSTELLO ever stayed in the rooms, KASTEL said no, but admitted there might be charges against the rooms in COSTELLO's name for phone calls, meals and other service items.

"Senator KEFAUVER later remarked that the records of the hotel showed that COSTELLO had stayed in the rooms 44 different times, for periods ranging from three to 91 days, and for a total of 466 days.

"'It isn't any crime, of course,' KEFAUVER remarked, 'but I wondered why you said he did not stay there.'"



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e. Massachusetts

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It is noted that the Los Angeles Office reported on February 10, 1958, that [REDACTED] of Springfield, Massachusetts, was possibly connected with subject at one time.

The Boston Office advised on March 5, 1958, that a check of logical sources at Springfield, Massachusetts, had failed to show that there is any [REDACTED] located in that city.

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The Boston Office advised that it is possible that the [REDACTED] previously referred to by the Los Angeles Office is SALVATORE LOUIS CUFARI, with aliases, who is currently under investigation by the Boston Office as a top hoodlum.

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It is noted, as previously reported, that FRANK IACONI, of Worcester, Massachusetts, might possibly have had connections with subject at one time.

The Boston Office advised on March 31, 1958, that FRANK IACONI, of Worcester, Massachusetts, born April 14, 1895, is considered as the boss of all gambling activities in the Worcester, Massachusetts, area.

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[REDACTED]

In February, 1953, FRANK IACONI was indicted by the Federal Grand Jury at Boston, Massachusetts, charging him with wilful evasion of Income Taxes for the calendar years 1946-1950, inclusive.

In September, 1954, IACONI was tried and convicted on the charges of Income Tax evasion in the United States District Court at Boston, Massachusetts. He was sentenced to a term of fifteen months in the Federal Correctional Institution at Danbury, Connecticut, and fined \$7,500. He

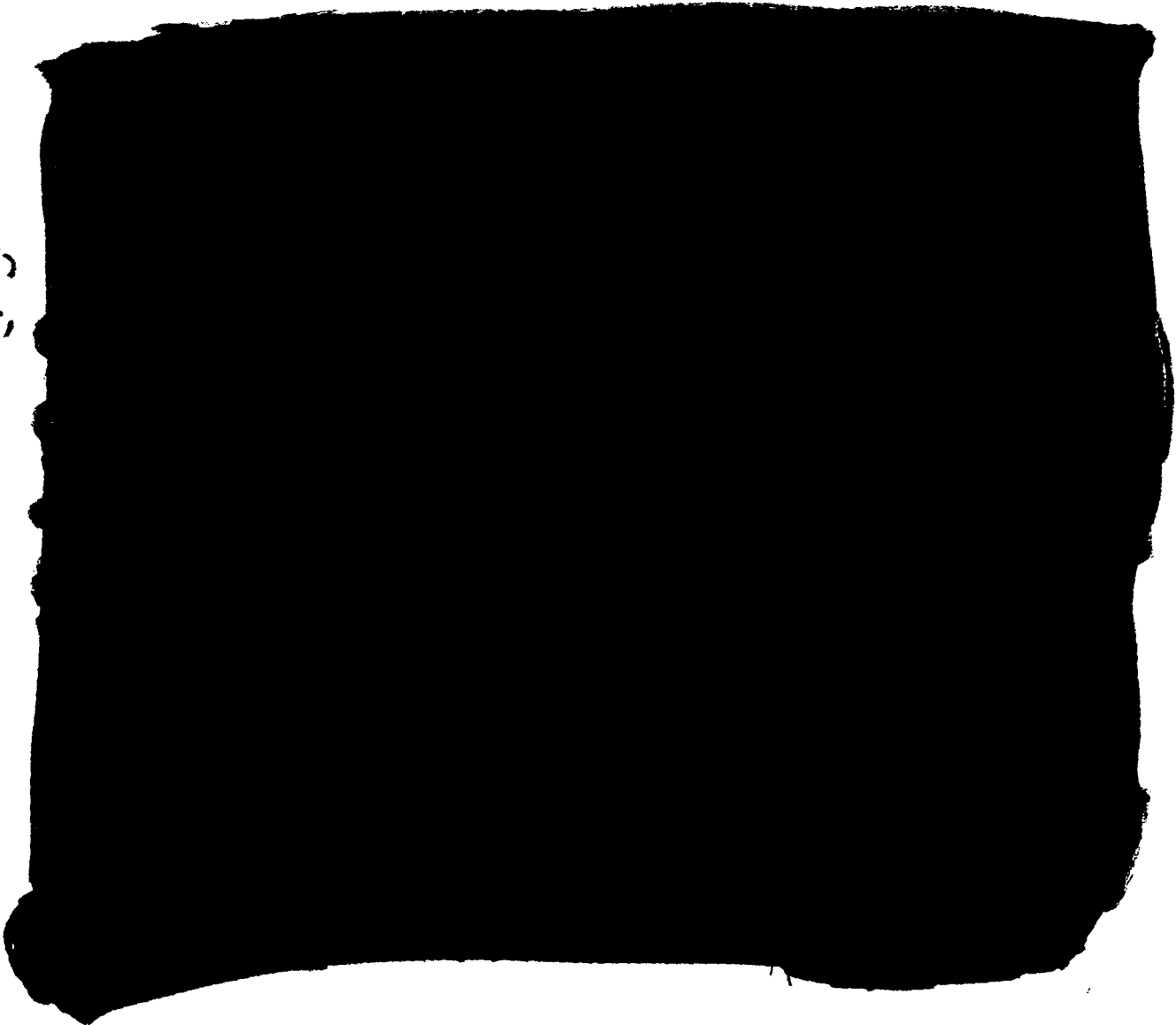
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was released from this institution on August 15, 1955.

On July 15, 1956, FRANK IACONI, 61 years of age, died at the Massachusetts General Hospital, Boston, Massachusetts.

f. New Jersey



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g. Ohio

A summary of information submitted in a report by the Cincinnati Office on April 15, 1958, reflects that MAX GETZ, former owner of Mayor Jewelry Store, Cincinnati, Ohio, died of a heart attack in July, 1955. GETZ was described as a type of individual who liked to associate with "big name personalities" or people who were considered to be in the "public eye." Although GETZ was well acquainted with the hoodlum element, he never gave any indication of being other than socially associated with this group.

According to information furnished to the Cincinnati Office, GETZ had visited FRANK COSTELLO in New York City and in New Orleans, Louisiana, on various occasions, and GETZ had originally met FRANK COSTELLO and PHIL KASTEL in the Beverly Club in New Orleans, Louisiana.

It is noted that the Los Angeles Office requested the Cleveland Office to conduct appropriate inquiry among logical sources in Cleveland, Ohio, in an effort to determine the identity of any known associate or contact of subject in Cleveland.

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According to the Cleveland Office, contacts with numerous other informants and with a number of reliable law enforcement officers failed to develop any information as to the identity of any known associates or contacts of subject in Cleveland.

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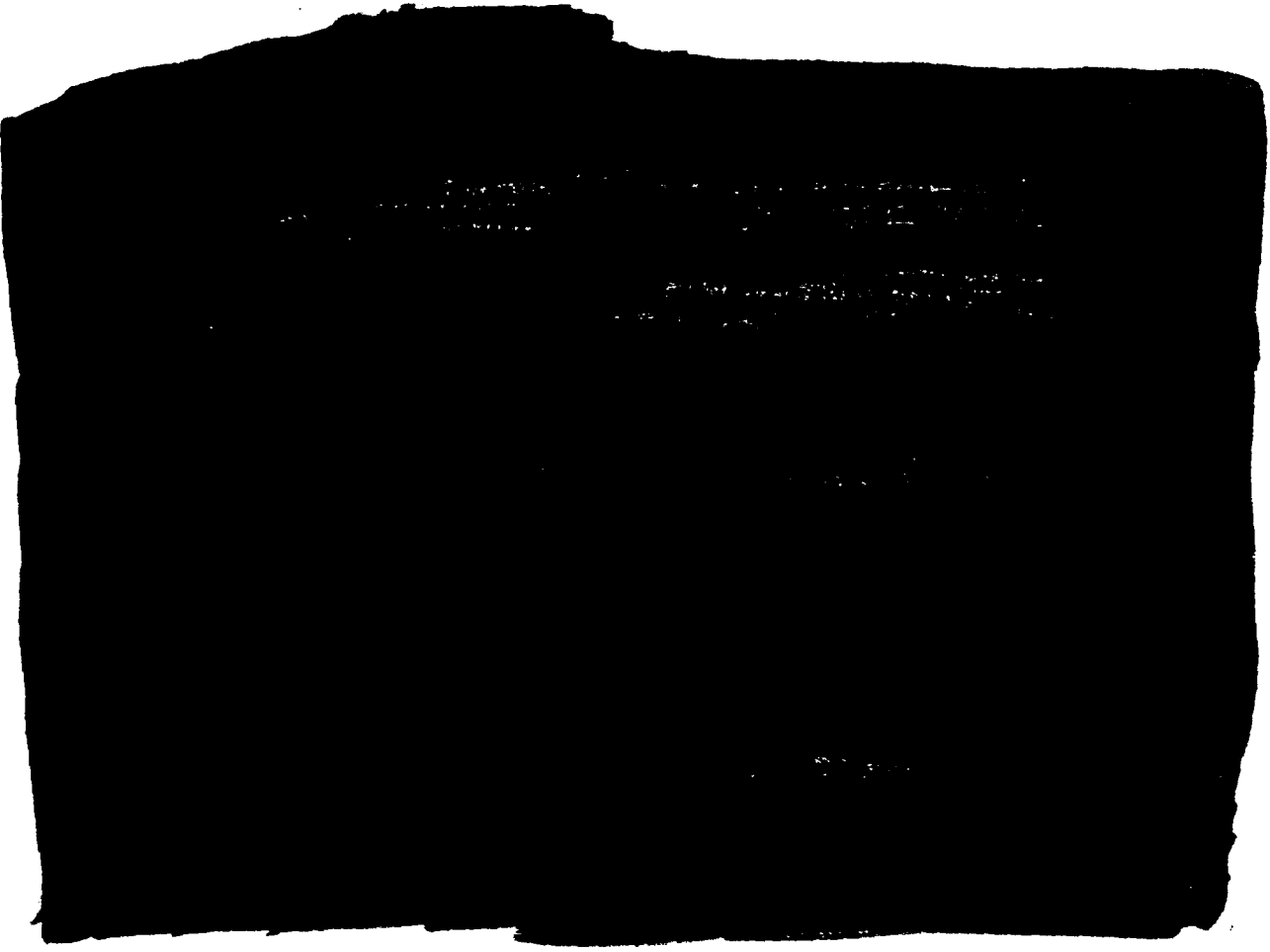
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It is noted that among the items found in the possession of subject by the NYCFD on the night he was shot, May 2, 1957, was a calling card, "EDWARD BENNETT WILLIAMS, Attorney-at-law, 1000 Hill Building, Washington 6, D. C., Metropolitan 8-6565."

D. Criminal Activities

1. Information Relating to Reported Former
Gambling Activities and Gambling Devices
of Subject

(a) Reported Activities Outside New York



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(3) Pennsylvania

The Philadelphia Office advised on February 28, 1958, that no information has been received from Philadelphia sources to the effect that COSTELLO, BENJAMIN SIEGEL or JOE ADONIS control rackets in Philadelphia, unless their control is remote.

In Philadelphia, there are two gangs generally considered to control such illegal activities as gambling, loan sharking and liquor. These are known as the Greaser Gang and the Jewish Mob, both of which have been active for at least 15 years.

The Greaser Gang is made up of Italian racketeers and is reported to have ties with other Italian racketeers in the Newark and Camden, New Jersey, areas, particularly in dealings involving illicit alcohol.

The Jewish Mob deals primarily in numbers, horses, bets on sporting events and loan sharking. It is controlled locally by [REDACTED] b2 b7C D

In the Anthracite coal regions of Northern Pennsylvania, around Pittston, Wilkes Barre and Scranton, are a number of factories manufacturing women's dresses, which are sold almost exclusively in the New York area. These factories are controlled locally by Italians and are alleged to be controlled from New York. The dress industry in the Anthracite region has been the subject of anti-racketeering investigations in the past and the New York Division is familiar with them.

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It is noted that THOMAS LUCHESE is currently under investigation by the New York Office as a top hoodlum and information concerning LUCHESE [REDACTED] previously been set out in New York reports.

(b) New York City Area

(1) Testimony of Subject Before United States Senate, Special Committee to Investigate Organized Crime in Interstate Commerce

On April 3, 1958, the Washington Field Office made available to the New York Office a Photostat of subject's testimony before the United States Senate, Special Committee to Investigate Organized Crime in Interstate Commerce. This committee met in the United States Court House, Foley Square, New York City, on March 13, 1951, and on subsequent dates. Senator ESTES KEFAUVER was Chairman, Senator HERBERT O'CONOR

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presided, and RUDOLPH HALLEY was the chief counsel for the committee.

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This testimony, consisting of approximately 250 pages, has been reviewed by SA [REDACTED], which, in substance, and in part, reflects the following information. It is noted in this connection that the testimony of subject was mainly his answers to questions propounded to him.

FRANK COSTELLO, 115 Central Park West, New York City, accompanied by his attorney, GEORGE WOLF, New York City, appeared before this committee on March 13, 1951, and subject was duly sworn.

WOLF first objected to the proposed televising of the proceedings on the grounds that COSTELLO did not care to submit himself as a spectacle, and that it would prevent COSTELLO from having proper conference with his attorney in receiving advice, under which circumstances would adversely affect the interests of COSTELLO. The committee agreed that COSTELLO, as a witness, would not be televised.

WOLF also objected that the proceedings be broadcast by radio; however, he and COSTELLO agreed to the proceedings being broadcast by radio.

"On January 2, 1951, chief counsel for this committee telephoned Mr. George Wolf, my attorney, and stated that the committee desired to examine me as a witness. On January 3, at a conference with chief counsel, Mr. Wolf stated that I was anxious to testify in order to deny under oath and forever silence the false stories and rumors that I was connected with any crime syndicate and that I was guilty of grave criminal offenses but that, judging from press reports of statements made by certain members of this committee, I could not expect fair treatment or consideration.

"However, my attorney was assured by chief counsel that the committee had not concluded its investigation about me, would treat me fairly as a witness, and would withhold judgment until after I had testified.

"Thereupon I agreed to accept service of subpoena and,

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"pursuant to arrangements, accepted service at my attorney's office on the following morning, January 4. This subpoena was made returnable forthwith, but I agreed to appear at any future time upon notice to my attorney. Later my attorney was requested to have me appear on February 13, 10 a. m., in this room; and I did so. Before testifying I made the following statement:

" 'I am here as a witness pursuant to forthwith subpoena dated January 3, 1951, served upon me on January 4, 1951.

" 'For years I have repeatedly been falsely charged with the most serious and vicious crimes and with being the leader of a national crime syndicate. Whenever possible I have sought to deny these charges and on many occasions have offered to testify before impartial investigating agencies. As recently as April 26 last I voluntarily appeared as a witness before the Senate Subcommittee on Interstate and Foreign Commerce, investigating interstate gambling. To the best of my ability I then testified fully and frankly, claiming and being granted by the committee privilege against self-incrimination on only one subject; namely, whether gambling was conducted in the Beverly Country Club of New Orleans.

" 'In spite of my denials under oath, these accusations continue to be made. According to reports of the Congressional Record and the press throughout the country, some of the very members of this Senate committee have charged me with the commission of grave criminal offenses and with being a leader of organized vice and crime in this country and have also announced their intention to have me prosecuted for perjury if not other crimes can be proved against me.

" 'I respectfully submit that I am a witness, not a defendant. I respectfully request that I be treated as impartially as any ordinary witness, that no attempt be made to single me out and make a field day of my examination, that my rights and privileges be respected, and that my interrogation be fairly conducted and kept within the bounds of the subject matter of your investigation.'

"That is the end of the quote of the statement that Mr. Costello made on February 13.

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"At the conclusion of the statement the chairman made the following remarks:

" 'Thank you, Mr. Wolf. That is a very good statement, and I don't know as to some of the things you referred to, but it is the policy of this committee to try to treat every witness as fairly as we know how.'

"Within a few moments after I started to testify, the committee again sought to reassure me that my examination was to enable me to establish the falsity of the malicious reports about me. The chief counsel said, and I am quoting from the record:

" 'I might say, Mr. Costello, that the committee is well aware of your contention that you have been misrepresented. Mr. Wolf has made that very clear to me.

" 'The purpose of a detailed examination privately is to give you every opportunity to establish you contentions.'

"For 2 hours on February 13 and for 6 hours on February 15 I testified. I did my level best to furnish the committee with every bit of information they asked for and to answer every single question directly and honestly.

"When my examination was ended, I had every right to believe that I had completely disposed of the fantastically untrue stories built up around me and that I would now be recognized for what I actually am and have been, without defending gambling and bootlegging activities of which I am not particularly proud but for which I prefer not to be eternally punished.

"Ifelt that I was fortunate for having accepted the assurances of the committee at face value. In fact, the concluding remarks of the chairman did much to strengthen my belief that my testimony had done much to destroy the mythical tales about me. I quote the following from the record:

" 'Mr. Halley. Do you think you have got your rights as you demanded them in your statement, Mr. Wolf?

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" 'Mr. Wolf. * * * although the examination was quite vigorous and thorough, I think he was very frank and cooperative to the fullest extent. I think you will agree with me on that, Mr. Halley.'

"And I am pointing out, gentlemen, this is what took place at the close of the examination of 8 hours.

" 'Mr. Halley. He certainly cooperated.

" 'The Chairman. He answered most questions forthrightly. He was a little vague about things back in the prohibition days, and there were some of these matters that he seemed to have forgotten as to what he told Mr. Hogan, but that has been quite a number of years ago.'

"On March 1 the newspapers reported the submission of an interim report by this committee describing the criminal activities of an alleged major crime syndicate composed of two parts and naming me as one of the two heads of one part. While I then realized that the committee's pretenses of fairness were empty words, I was not prepared for the shocking discovery that the report was completed before I had even begun to testify and that nothing I could have said or done would have altered it one iota. I was informed that chief counsel not only admitted that the report had been prepared before I started to testify but that it was, to use the chief counsel's own language, 'based upon inference upon inference' and without a single shred of direct evidence against me, after over a year of an extensive investigation, aided by virtually every local and Federal investigating agency in the United States.

"Over my repeated denials and my testimony under oath, which you said was 'forthright,' without any direct evidence, and without permitting me to defend myself, you have branded me as an archcriminal. You have prejudged me without a bit of respectable proof to support your judgment.

"Under our system of law a man is presumed to be innocent until his guilt is proved beyond a reasonable doubt, I do not ask to be measured by the same rules as should be applied to all of us. I am willing to assume the burden of proving my

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"innocence to you and to the world.

"Give me, I ask you, this last opportunity of proving that your charges against me are unjustified and that they should be retracted. Confront me with evidence if you have it; if your charges are based on inferences, let me know what those inferences are. Then give me the right to publicly reply to your evidence or construe your surmises.

"I am not only asking that you respect fundamental rights and principles, I am begging you to treat me as a human being."

COSTELLO testified that he believed his mother's maiden name was SEVERIO, not that he had ever used the name, but when he was a boy, they called him SEVERIO. To his recollection, he had not used any other names. Since being in America, he had not used the name CASTAGLIA as he was only two years old when he came to America. He admitted he might have used the name FRANK SEVERIO, and that he was convicted of a crime under this name 35 or 36 years ago.

His right name is FRANK CASTIGLIA and COSTELLO is an Americanized version. He could not remember ever having used the names MURRAY F. HOFFMAN, FRANCISCO SEVERIO, STELLO or VENTI. He admitted having been convicted for a misdemeanor, the possession of a revolver, on March 12, 1915, in New York and he imagined that he used the name FRANK SEVERIO at that time.

COSTELLO recalled having filled out an application to become a citizen and recalled having inserted his true name, FRANCISCO CASTIGLIA, on the application, the same name that appeared on his steamship ticket; however, his signature did not appear on the application. His name was CASTIGLIA, but he used the name COSTELLO at that time.

Mr. HALLEY stated that "in fact, under American law, any name you assume is your name." COSTELLO said his mother's name was MARIE SEVERIO ALOISA. At the time of filing his application for naturalization, he resided at the Greystone Hotel, New York City, possibly located at 2450 Broadway, and his occupation at that time was "real estate."

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COSTELLO was almost positive he was not in the liquor business at the time of his application for naturalization. He admitted he had known HARRY SAUSSER, a railroad man, for seven to ten years prior to his application, and he had no recollection that SAUSSER had been in the rum running business. He had the name of HARRY SAUSSER and FRANK GOSS on his application for naturalization and he believed that GOSS was, at that time, working for the "Tribune" or "Mirror," but GOSS was not, to his knowledge, in the rum running business.

COSTELLO stated he was in the liquor business during prohibition, "on and off" and he would not say that he bought liquor in Canada, but some people did business in Canada, brought the liquor into the United States, and he bought the liquor from them. Directly, he had not done any business in Canada, but had done business through someone else. They would smuggle the liquor into the United States and he would buy it from them. COSTELLO could not identify these individuals, this being approximately in 1927, 1928 or 1929, but was not earlier than 1927. The HARRY SAUSSER (phonetic), the person from whom he purchased this liquor, was not the HARRY SAUSSER who signed his application for citizenship and he believed the HARRY SAUSSER is deceased.

"Mr. Halley. The next reply to your question, perhaps, Senator, is that apparently a real estate broker named Harry Sausser, who was one of the character references on Mr. Costello's application for naturalization, appears to have a name very similar to the Harry Saucer whom he testified in 1947 was the man who bought the liquor from him.

"Senator Tobey. Wouldn't that have elements of a conspiracy to break the laws of this country between two parties?

"Mr. Halley. I should think so. I should also think it would have the elements of a conspiracy to obtain a naturalization by fraud.

"Senator Tobey. What is the date of his naturalization papers?

"Mr. Halley. The naturalization was obtained -- the

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"declaration was made, the first declaration, in 1923. The date of the filing of these papers is 1925 - May 1. And the witnesses, recorded not only on the original form, but on a card that summarizes the proceeding, were Frank A. Goss, real estate, and Harry Sausser, real estate, Huntington, Long Island.

"Senator Tobey. Well -- I am just thinking out loud now -- if it is a fact that there was a conspiracy between the parties here involved to break the laws and transgress the laws of this country, and if at a later date he was made a citizen, and if a false statement was made in that situation there, is not the man who made the false affidavit as susceptible to deportation from this country as one who falsified the records?"

COSTELLO stated he was indicted for a conspiracy to smuggle liquor into the United States at one time, but he did not know whether it was in 1925 or 1926. HALLEY brought out the fact that also named in the same conspiracy as subjects of the bench warrants in that matter were the same GOSS and SAUSSER who signed COSTELLO's naturalization application. To this, COSTELLO answered, "I wouldn't know." COSTELLO stated that the case against him at that time was dismissed by Federal Judge WINSLOW.

Prior to September, 1925, COSTELLO did not engage in the business of selling, purchasing, transporting, or possessing alcoholic beverages within the United States, nor prior to 1925 did he purchase alcoholic beverages within the United States contrary to law.

He stated he had a room at 405 Lexington Avenue, which he used as a real estate office, and he did not use these premises for the bookmaking business. HALLEY brought out that COSTELLO had reportedly answered questions before the New York State Liquor Authority, New York City, on February 15, 1947, that he was engaged in bootlegging from 1923 to 1926, that he was in business for himself, that he had no partner, that he brought whiskey into the United States, and that his office was at 405 Lexington Avenue for approximately three years. COSTELLO testified "but now, to my recollection, thinking it over, I know I haven't sold any liquor prior to 1926 or 1927."

"Mr. Halley. Now, Mr. Costello, have you any explanation

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"for why, on this naturalization application, the name of Frank Severio was not stated as another name you used?

"Mr. Costello. Well, at the time when I inquired, they told me that I would have to wait 5 years before I could apply for citizenship, and I waited 7 or 8, and it was not necessary to explain unless it was a felony that I had committed, or indicated or convicted for a felony. It happened to be a misdemeanor. That's the way it was explained to me at the time. That's why I probably didn't inject it into the application.

"Mr. Halley. When you swore to uphold the Constitution of the United States, did you have in mind that at that time you were violating the laws of the United States?

"Mr. Costello. Absolutely not."

COSTELLO refused to answer the question, "What is your net worth today?" on the grounds that it might incriminate him. He testified that in the year 1944, he filled out an income tax return indicating an income of \$70,685.33 from the Louisiana Mint Company, New Orleans, Louisiana. This was a mint machine known as a slot machine. He also received \$884 from the 79 Wall Street Corporation in 1944. The 79 Wall Street Corporation was a real estate holding corporation which held two or three buildings, and he sold them in 1950, all as one parcel.

His last income in the Louisiana Mint Company was in 1946 and he was not presently active in the company as he left it all to KASTEL. CHARLES MURPHY, an attorney and Certified Public Accountant, had power of attorney to look after his interest in the Louisiana Mint Company. PHIL KASTEL was also interested in the Louisiana Mint Company, as well as FRED RICKERFORD and one or two other "natives" of Louisiana. DUDLEY GEIGERMAN, his brother-in-law, managed the business.

He testified he first went into the slot machine business in New Orleans, he believed to be in 1935. HUEY LONG, then Governor of Louisiana, came to New York and asked him whether he would care to go to New Orleans and go into the slot machine business. Governor LONG wanted him to go to New Orleans and

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make a survey in order to find out how many locations could be had, as Governor LONG wanted to pass legislation in order to get a revenue for an old age pension. He went down to Louisiana and let KASTEL make the survey. KASTEL, up until that time, had been a resident of New York. He had been associated with KASTEL in slot machines in New York and he and KASTEL were very good friends. He and KASTEL were in partnership with the slot machines in New York City. They placed them in various locations in New York City; however, they were small operators owning a few hundred or so machines. They had about 600 machines in Louisiana and he had a 20 or 22 per cent interest. His wife had no interest in the slot machines, but she had an interest in a juke box, not a slot machine and the slot machines were illegal in Louisiana at that time.

KASTEL did the purchasing of the slot machines from the Mills and Jennings Company. According to COSTELLO, he practically had nothing to do with the business of the slot machine company in New Orleans and he did not dictate policies to KASTEL as KASTEL was very capable.

JIMMY MORAN, whose real name is BROCATO, secured the locations for the machines and BROCATO, as well as GEIGERMAN, his brother-in-law, had an interest in the company. The machines were later confiscated by the New Orleans Police Department. "We are not in business, we are out of business." "I am retired." He explained that the slot machines, as you call them, had five cent mint bars in them and when a coin was inserted and the lever pulled, a person so inserting the coin would get this five cent mint bar, which was like a lifesaver, and that was why he called this machine a mint machine.

According to COSTELLO's testimony, it was Mrs. COSTELLO who had the interest in the Crescent Music Company in New Orleans and PHIL KASTEL was her partner. He stated he had absolutely no control or anything whatsoever to do with the company. It was only a small investment on the part of his wife, handling the music boxes.

He testified that he owns 20 per cent of the Beverly Country Club, New Orleans, and that KASTEL, FREDDY RICKERFORD and CARLOS MARCELLO, also had an interest in the club. He did

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not actually control, nor did he take any active part in the slot machine business or the night club. He stated that the Beverly Country Club is a night club and restaurant and he refused to answer the question as to whether the club had a gambling casino attached as it might tend to incriminate him. He had not had any profits from the Beverly Club during the time in which he had an interest, but had drawn a salary of \$1,000 a month and in 1950, his salary was raised to \$1,500 a month. For this salary, he helped to get different acts and solicited some business for the club.

In other words, according to COSTELLO, if someone was going to New Orleans, he would recommend the club as he was a goodwill man for the club. If he heard of some good act, he would go have dinner at the place and watch this act, and if he felt the act was good, he would notify the Beverly Club and inform them about the act. He recalled having recommended JOE LOUIS, SOPHIE TUCKER, and a lot of other big acts.

"Senator O'Connor. Did you have anything to do with either the gambling operations or the protection of it, if such protection was afforded?" "Mr. Costello. No, No.

In 1950, COSTELLO received \$3,000 in salary from the 79 Wall Street Corporation. He sold this corporation in 1950, receiving a net profit of \$119,756.42. He had purchased this property in 1943 or 1944 for \$300,000 and this was the only real estate he had held in the last ten years. He also had \$26,800 in gambling winnings in 1950, as well as a gross income of \$5,300 in oil lease ventures. His legitimate business in 1950 was practically nothing outside of the building and a little oil, and that was all of his business interests during this year, according to COSTELLO.

The money he invested in the 79 Wall Street Corporation in 1942 or 1943 was obtained from slot machines. He put \$50,000 or \$55,000 in actual cash toward the purchase price of \$300,000 and when he purchased this property, it had a \$250,000 mortgage against it. He borrowed \$25,000 from FRANK ERICKSON, but this did not mean that he put this money into the purchase price of this building. At another time, he borrowed \$25,000 from ERICKSON but he could not remember what he borrowed this

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money for. He was also unable to recall the amount of his liquid assets for the year 1943.

Mr. HALLEY. "At the executive session, I made a very determined effort to find out how much Mr. COSTELLO knows about his legitimate enterprises in view of the fact that they are so few in number, and I think the records should also show whether Mr. COSTELLO has any personal knowledge of his own legitimate business without the need for his counsel to tell him."

"Mr. Halley. Well, you have already testified that you put into 79 Wall Street the proceeds from gambling and the liquor business. Now, what proceeds did you have at the time that you purchased the premises 79 Wall Street Corp.?"

"Mr. Costello. I wouldn't remember.

"Mr. Halley. Were you worth \$10 on January 1, 1943?"

"Mr. Costello. Yes.

"Mr. Halley. Were you worth \$100,000?"

"Mr. Costello. I wouldn't remember.

"Mr. Halley. Were you worth \$50,000?"

"Mr. Costello. I wouldn't remember how much I was worth.

"Mr. Halley. Did you have any assets in addition to the 79 Wall Street Corp. after you made the purchase?"

"Mr. Costello. Well, assets in what way? In moneys?"

"Mr. Halley. Cash, securities, real estate?"

"Mr. Costello. Cash. I had cash.

"Mr. Halley. How much?"

"Mr. Costello. I wouldn't remember how much.

"Mr. Halley. In excess of \$50,000?"

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"Mr. Costello. I wouldn't remember what I had.

"Mr. Halley. Did you have more than \$10?

"Mr. Costello. I know I had over \$50,000 if I put up 50 for a building.

"Mr. Halley. In fact, you were then receiving a very fine income from the Louisiana Mint Co., were you not?

"Mr. Costello. That's right.

"Mr. Halley. In the neighborhood of 60 or \$70,000 a year?

"Mr. Costello. That's right. So I wouldn't remember what I had.

"Mr. Halley. That does not follow, that you would not remember what you had. I should think you would remember what you had, and I would like, if you can search your memory, to know why you borrowed \$50,000 from Frank Erickson in 1943 and 1944.

"Mr. Costello. I might have had something in mind. I was going to make a big investment.

"Mr. Halley. Well, what did you have in mind?

"Mr. Costello. I don't know. This is 8 years ago. I can't go back 8 years and search what I had in my mind.

"Mr. Halley. Did you have any knowledge of a transaction in which Frank Erickson at that time borrowed, in cash, \$100,000 from Mr. Gallagher of the Pennsylvania Exchange Bank?

"Mr. Costello. I never heard of it, not only have knowledge of it.

"Mr. Halley. Have you heard of the Pennsylvania Exchange Bank?

"Mr. Costello. Yes.

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"Mr. Halley. And do you know Mr. Gallagher of that bank?"

"Mr. Costello. Yes

"Mr. Halley. He is the chairman of the board, I believe?

"Mr. Costello. That's right.

"Mr. Halley. How long have you known him?

"Mr. Costello. Many years.

"Mr. Halley. Was he in the liquor business with you?

"Mr. Costello. I wouldn't know.

"Mr. Halley. Was he in the liquor business during prohibition?

"Mr. Costello. I wouldn't know; I wouldn't know.

"Mr. Halley. Where did you first meet him?

"Mr. Costello. Around town.

"Mr. Halley. Who introduced you to him?

"Mr. Costello. I couldn't remember.

"Mr. Halley. And you have seen him often?

"Mr. Costello. Yes.

"Mr. Halley. In the intervening years?

"Mr. Costello. Yes; I have seen him at race tracks, theaters, fights -- all over.

"Mr. Halley. Have you ever had any business with him?

"Mr. Costello. Never.

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"Mr. Halley. Now, if Mr. Erickson borrowed a hundred thousand dollars in cash from him, did you know about it?"

"Mr. Costello. No. Why should I know about it?"

In 1949, he showed a net income of \$29,349 after having taken a loss on certain oil wells. He had an income in 1949 of \$15,000 from GEORGE M. LEVY.

"Mr. Costello. I met Mr. Levy, and Mr. Levy told me that he was having difficulty at the race track, at the Roosevelt Raceway. He thought that he might lose his franchise, his interest; bookmakers were there, and the racing commission told him that if he didn't clean it up, he might jeopardize his license. He asked me to help him.

"I says, 'What way can I help you?'

"He says, 'Can you suggest something?'

"I says, 'Well, haven't you got a detective agency there?'

"He says, 'I have.'

"I says, 'Well, if they can't help you, how can I help you?'

"He says, 'Well, it seems that there's a lot of complaints. I personally don't think there's any more bookmakers there than any other track, but there's a lot of complaints.'

"I says, 'Nothing I can do for you, George.'

"So he said, 'Maybe you can think of something.'

"I says, 'Well, what I can do, George, I can spread the propaganda around that they're hurting you there and you're a nice fellow, and I can tell them that if there's an arrest made, it's going to be very severe. I don't know how much good it's going to do you, but I'll talk about it.'

"He says, 'I wish you would,' and I did.

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"Mr. Halley. Where did you talk about it, Mr. Costello?

"Mr. Costello. Oh, I talked about it from the second day that he spoke to me about it.

"Mr. Halley. Where did you talk about it?

"Mr. Costello. Oh, in Moore's Restaurant, Gallagher's Restaurant, a hotel, a saloon, as you would call it, any place, or a night club, whenever I had the chance, just in general.

"Mr. Halley. To whom did you talk about it that you might have thought had any connection with bookmaking at a race track?

"Mr. Costello. Anybody who was around at the time.

"Mr. Halley. When Mr. Levy first came to you, did you tell him that you had no connection whatsoever with bookmakers?

"Mr. Costello. Positively. He always knew that.

"Mr. Halley. Did you ask him why he came to you?

"Mr. Costello. Well, I don't know why he came to me, but he came to me anyway.

"Mr. Halley. Why do you think he came to you?


"Mr. Costello. Well, he come to me - he thought maybe I would have a solution of some kind, a suggestion, and I told him I had none.

"Mr. Halley. But instead, your suggestion was that you would go and pass the word around?

"Mr. Costello. That's right, for no monetary reason at all; as a friend.

"Mr. Halley. Do you think that your passing the word around would have such an influence on bookmakers?

"Mr. Costello. I didn't think so, and I still don't think so.

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"Mr. Halley. Did you think that your services were worth a total of \$60,000 over 4 years?

"Mr. Costello. Which is \$15,000 a year. No, I didn't think so.

"Mr. Halley. During the first year when he came to you, I believe it was during the racing meet in August, is that right, or possibly earlier in 1946 --

"Mr. Costello. Well, I wouldn't remember just the time.

"Mr. Halley. But it was the summer of 1946?

"Mr. Costello. Well, it was prior to the opening of the meet, the middle, or something, I wouldn't know, I wouldn't remember.

"Mr. Halley. Well, it certainly must have been the first year in which you went to work for him.

"Mr. Costello. In 1946.

"Mr. Halley. You are sure of that?

"Mr. Costello. Yes; I believe it was 1946.

"Mr. Halley. Looking at your own records, what is the first year for which you were paid?

"Mr. Costello. I believe it was 1946.

"Mr. Wolf. 1946.

"Mr. Halley. 1946 is right?

"Mr. Costello. Well, it was 1946.

"Mr. Halley. What did you do in 1946 to earn \$15,000?

"Mr. Costello. Practically nothing.

"Mr. Halley. Well, just what did you do, unless it was absolutely nothing?

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"Mr. Costello. Outside of just talking about it, that bookmakers are going to hurt this man's license and they cannot make enough money there to hurt a man or to take a chance on account of the severe penalty they would get if they got arrested.

"Mr. Halley. And in what places did you say that?

"Mr. Costello. Oh, I just told you before.

"Mr. Halley. Dinty Moore's?

"Mr. Costello. Yes; any place.

"Mr. Halley. Gallagher's?

"Mr. Costello. Yes. Wherever I had an occasion that they would talk, you know, in general.

"Mr. Halley. What other places, Mr. Costello, did you spread the gospel, in what other restaurant?

"Mr. Costello. In other words, do you want me to tell you how many restaurants I go to?

"Mr. Halley. I want you to tell the committee in how many restaurants you went to people --

"Mr. Costello. Half a dozen restaurants.

"Mr. Halley. And said it would be a bad thing to make book at the Roosevelt Raceway?

"Mr. Costello. Maybe a half a dozen restaurants. Criselle's, anywhere, the Waldorf or --

"Mr. Halley. When you go to the Waldorf there are bookmakers there?

"Mr. Costello. The Colony, anywhere where I had dinner, or lunch, or something.

"Mr. Halley. How many bookmakers have you had dinner, or lunch, at the Colony.

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"Mr. Costello. I didn't say I had dinner with bookmakers and I didn't say I spoke to bookmakers.

"Mr. Halley. Well, how would you expect bookmakers to stop operating at a track?

"Mr. Costello. I didn't expect nothing, and I didn't expect no money for it.

"Mr. Halley. You accepted money for it?

"Mr. Costello. That was the second year.

"Mr. Halley. And what did you do in the second year that made your services more valuable?

"Mr. Costello. Nothing. I did the same thing I did the first year, and I don't think I did a damn thing.

"Mr. Halley. That is the answer; you didn't do anything?

"Mr. Costello. I don't think I did.

"Senator Tobey. That was an unearned increment?

"Mr. Costello. I beg your pardon?

"Senator Tobey. That was an unearned increment, wasn't it?

"Mr. Costello. Well, now, the man thought I did a great job, and I don't know why he did. I personally don't think I did, and he insisted upon me taking this money.

"Senator O'Connor. Is there any further explanation you can give, because it is quite important here. You were engaged at the rate of \$15,000 a year, a member of the bar and an official of the Raceway engaged you and then, after receiving the complaints from the chairman of the commission, as if by magic the complaint vanishes and there is no further complaint. Can you give any explanation of what further you did or what Mr. Levy said you were to do or sought from you information as to what you did?

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"Mr. Costello. Well, I don't know. I'm under the impression there was no such a thing as bookmakers there of any amount to be frightened.

"Senator O'Connor. Did you report that to Mr. Levy in the first year? You continued on for 4 years and, according to Mr. Levy, you would have continued on still further had it not been for the fact that the internal revenue raised a question about it.

"Mr. Costello. No; the second year Levy said, 'I don't know what you did, but your propaganda must have done some good because I got no more complaints,' and he said, 'I want to reimburse you for it.' I said, 'There's no reimbursement. What I did for you I would do for any friend of mine. You are my friend,' but he insisted, and so I said, 'Well, if you insist, fix it yourself,' and he did.

"Mr. Halley. Well, you said you told him what you did for him you would do for any friend, and what this committee is trying to find out is what you meant when you said, 'What I did for you;' what did you do for him?

"Mr. Costello. Whatever he thought I did. I'm telling you what I did.

"Mr. Halley. You thought you did nothing?

"Mr. Costello. Well, I didn't think it was helpful, frankly speaking. It might have been, to a certain extent.

"Mr. Halley. What do you mean, it might have been to a certain extent?

"Mr. Costello. Well, maybe somebody around must have taken the advice and says, 'Well, you can't make no money there, and, well, I don't suppose you want to get pinched and get a severe sentence in Nassau County,' and so on and so forth. I don't know, just through my propaganda.

"Mr. Halley. Why, that is absurd, Mr. Costello.

"Mr. Costello. Well, I don't know what's absurd. It's

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"just no other answer I can give you.

"Mr. Halley. You mean you can't make any money at the Roosevelt Raceway?

"Mr. Costello. Well, don't you understand, Mr. Halley At the time the harness racing was in its infancy.

"Mr. Halley. No; this is 1943, 1944 --

"Mr. Wolf. 1946

"Senator O'Connor. 1946

"Mr. Halley. They started in 1940 and this is 1946.

"Mr. Costello. It wasn't what it is today, anyway.

"Mr. Halley. And in 1946 you think a bookmaker could not make any money at the harness races?

"Mr. Costello. Well, not a real bookmaker. I imagine a man that wanted to gamble big couldn't.

"Mr. Halley. You mean there was no big money at the harness races?

"Mr. Costello. I have been out there. I was out there twice since it is in existence and I like to play when I'm there, and if I thought I was going to bet more than \$20, I would be crazy.

"Mr. Halley. You don't think there were any big bookmakers at the harness races?

"Mr. Costello. No. I wouldn't have thought so; no.

"Mr. Halley. You never saw any big bookmaker at the harness races?

"Mr. Costello. No.

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"Senator Tobey. Don't you think the real reason that this bookmaking stopped out there is the magic of the name Costello, and when they heard Costello was against it, the rats all ran to cover?

"Mr. Costello. I don't think so, Senator.

"Senator Tobey. Well, they went, didn't they?

"Mr. Costello. Well, I don't know if they were ever there.

"Mr. Halley. Now, it is your position, is it, that you don't believe there were any bookies at the harness races?

"Mr. Costello. I don't know. There may have been.

"Mr. Halley. Well, you say you were there; did you see any?

"Mr. Costello. I never seen anybody there.

"Mr. Halley. And you didn't think there were any? Is that what you just told the committee?

"Mr. Costello. I imagine there were the sort of bookies there is at all tracks, not enough to scare them off or them to lose a license.

"Mr. Halley. You see, in the light of that, the 1946 deal just doesn't stand up with the explanation you and Mr. Levy have given it.

"Mr. Costello. Of \$15,000 you mean?

"Mr. Halley. That's right.

"Mr. Costello. Well, if you think different, it's ridiculous. I'm telling you the God's honest truth, and there's no other hitch there - no other motive.

"Mr. Halley. Or, did you and Mr. Levy change your mind about putting the bookmakers off the track?

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"Mr. Costello. Why should I and Mr. Levy change? I had no business with the Roosevelt Raceway at all. No interest, no financial interest; I'm not a stockholder."

"Mr. Halley. Well, did you have any relationship or arrangements with George Sherman?"

"Mr. Costello. No.

"Mr. Halley. Or with anybody else about their privilege of operating at the track?"

"Mr. Costello. I couldn't make no arrangements with anyone. I never had an interest.

"Mr. Halley. Was the bookmaking at the raceway a concession that perhaps certain friends of yours had?"

"Mr. Costello. No, not to my knowledge. I don't know of any friends of mine that had the concessions there.

"Mr. Halley. Would that explain why in 1946, when Downing began to complain, it was so easy for you to correct the problem?"

"Mr. Costello. No, no; that's ridiculous. No."

"Mr. Costello. I have no recollection at all. I am not going to start speculating. When I tell you that I have no interest in there, I wouldn't lie to you. I never had."

"The Chairman. Didn't Mr. Levy testify that, as to the last payment, that he saw you or you saw him in Florida, and that you asked him for \$15,000 at that time?"

"Mr. Costello. Well, he has already established now where he is paying me. I am talking from 1946, when we first conversed on the subject.

"The Chairman. Well, you did go so you sort of liked to get the payment, didn't you?"

"Mr. Costello. No. If I asked for it in Florida, chances

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"are that I might have been going to Hot Springs or somewhere. I might have needed to take some cash with me, or something, and he might have been down there.

"The Chairman. If you didn't think you were earning anything, why did you ask him for the \$15,000 in Florida?

"Mr. Costello. Well, I said that time and time again, that he insisted upon paying me.

"The Chairman. Apparently he wasn't insisting on --

"Mr. Costello. Because he thought I was doing a job for him, and I am honest enough to say that I didn't think I did a job for him.

"Senator Tobey. But you did take \$60,000 for doing nothing?

"Mr. Costello. That's right. I did.

"Senator Tobey. Isn't that kind of synonymous with taking candy from a child?"

COSTELLO testified that JAKE LANSKY was also a partner in the Louisiana Mint Company and that MEYER LANSKY was also in the Beverly Club, but he had no other interest with him. He said that he did not order WILLIE MORETTI, of New Jersey, to go to California for his health, but he had known MORETTI many, many years and he is the god-father of MORETTI's first child; however, they had never had any business together.

During the session of March 14, 1951, COSTELLO testified he knew IRVING SHERMAN as an old friend, but absolutely they were not in business together. He stated that SHERMAN had not introduced him to JAMES MC LAUGHLIN, an employee of the New York Telephone Company, who made a practice of checking peoples telephone wires to see whether or not they were tapped. He never gave anyone a contract to check his wires.

"The Chairman. Did you have a brother or cousin named Costello, who was in the business of selling stock also?

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"Mr. Costello. No.

"The Chairman. Ed Costello, or Charley Costello?

"Mr. Costello. No.

"The Chairman. Well, there was some Costello indicated with you back at this time that 62 of you were indicted. Who was that; wasn't that your brother?

"Mr. Costello. Yes; Ed Costello.

"The Chairman. Did he have a bucket shop, or wasn't he in the stock-selling business up at Binghamton?

"Mr. Costello. No, not to my knowledge.

"The Chairman. Not that you know of?

"Mr. Costello. No.

"The Chairman. Didn't you finance him in some business?

"Mr. Costello. Absolutely not.

"The Chairman. What happened to Ed Costello, your brother?

"Mr. Costello. Well, he's around, an old man, sick.

"The Chairman. Didn't he go to California?

"Mr. Costello. No, he's never been in California, to my knowledge.

"The Chairman. Wasn't he under indictment in connection with some stock matter in Binghamton, that you know of?

"Mr. Costello. No; I believe you got the wrong Costello, to my knowledge."

He testified he has known PHIL KASTEL since 1926 - 1928. As an accommodation, he and KASTEL endorsed a note of WILLIAM HELLIS of New Orleans, Louisiana, in the amount of \$325,000

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in 1937. This was in connection with the William Whitely Liquor Company of London, England, whereby KASTEL received an interest in that company for the distribution of Kings Ransom and House of Lords whiskey in the United States. HELLIS was the wealthy Greek of New Orleans, who is now deceased.

According to COSTELLO, he received nothing of this deal for signing the note, as he signed the note out of pure friendship. In this connection, he imagined that in 1940, he signed a Mills Brothers note for \$65,000 just as an accommodation for KASTEL.

He advised he had known IRVING HAIM for many years and HAIM went to England in order to arrange a contract for him with Turneys Distilleries, Limited, London, England. COSTELLO advised he was to promote the interest of the company in the United States by personal contacts with wholesalers and retailers and with the consuming public by frequenting first-class hotels and restaurants and asking to be supplied with the company's brands marketed in the United States. He was to "cast" to the alliance all orders and inquiries for Whitely's brands and the company was to pay him 5,000 pounds per annum as a contribution toward his expenses and promoting and furthering the sales of the company's brands in the United States. The company was to pay COSTELLO, as a commission, 5 shillings on every case in excess of 50,000 cases per annum, shipped by the company to the United States.

"Mr. Halley. Now, were you so prominent and popular a man in this country that you could simply, by going into bars and asking for these brands of whiskey, stimulate the sales to make it worth \$25,000 a year -- 5,000 pounds would be \$25,000 -- and 5 shillings on every case in excess of 50,000?

"Mr. Costello. Well, I don't know, Mr. Halley, but they thought so.

"Mr. Halley. But do you see a certain similarity between this and your wandering around bars, keeping bookies out of Roosevelt Raceway? Do you see a certain pattern that might have appealed to the committee in summing up its impressions of your activities?

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"Mr. Costello. Well, I don't know what your impression can be.

"Mr. Halley. Well, what is your impression of what you could do to be worth \$25,000 a year to this distillery, plus the commission, which probably would amount to a tremendous amount, of 5 shillings?

"Mr. Costello. I imagine if you got a good brand, Mr. Halley, you don't need no talent, you don't need nothing.

"Mr. Halley. Well, why would they let you in on this good thing?

"Mr. Costello. Why? Well, they thought maybe I was the best man for it, and we were friends.

"Mr. Halley. Did it possibly have something to do with your ability to persuade bartenders --

"Mr. Costello. You don't have to persuade anybody.

"Mr. Halley. And saloon keepers to buy a certain brand of whiskey?

"Mr. Costello. Absolutely not."

According to COSTELLO, the deal fell through as someone from Louisiana objected to his being in the deal. He advised he had received nothing valuable from HAIM after 1938 when the deal for Whitely's fell through.

COSTELLO testified that he might have \$40,000 or \$50,000 in a strongbox at his residence. He advised he has no other strongbox in his home or in any bank or any other place whatsoever. There is also no person who holds cash, securities, or anything of value for him. He denied having any continuing interest in Whitely's Distilleries, nor did he have any interest in HAIM. He stated he had an account with the New York Trust Company and he customarily kept from \$90 to \$100 or so in the account, and this account was his only bank account.

In 1947, he received \$15,000, which was money KASTEL

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owed him; the other \$12,500 came from his brother-in-law, DUDLEY GEIGERMAN. He was negotiating a real estate deal and he lost \$27,200 in a taxi cab; however, the money was later found and was turned over to the NYCPD on East 67th Street.

When the session next continued, Attorney WOLF advised that COSTELLO had reached the end and the limits of his physical and mental endurance. According to WOLF, COSTELLO could not go on; however, COSTELLO desired to defend himself and wanted the opportunity to do so. He requested the examination be postponed to such a time when COSTELLO was physically and mentally able to continue and in surroundings and under circumstances where he could testify properly and defend himself. It was at this time that COSTELLO contemplated walking out of the session.

A certificate of Dr. VINCENT J. PANETTIERE, dated March 15, 1951, was read, which stated that FRANK COSTELLO, 115 Central Park West, was confined at home in bed and was suffering from acute laryngotracheitis. According to this certificate, COSTELLO's doctor believed he should remain in bed and have complete voice rest for several days. In this connection, HALLEY pointed out that the certificate did not state that COSTELLO was in danger of any permanent impairment of his health, nor did it state whether he had any temperature.

The chairman of this committee advised that the certificate was not enough. COSTELLO and WOLF then started to leave the session. COSTELLO refused to answer any further questions. The chairman of the committee then explained the power of the committee and the powers of the United States Senate concerning contempt. COSTELLO and WOLF left the committee room.

A certificate of Dr. DOUGLAS QUICK, 350 Park Avenue, New York City, stated that "FRANK COSTELLO has had a heavy cold and a laryngitis for nearly two weeks. During this week, the laryngitis has gotten steadily worse until he is now unable to talk and sustain conversation, and any effort in this direction will cause further and continuing danger of his larynx. He has been having local and general treatment for ten days. This includes penicillin and aureomycin. COSTELLO has had a severe throat affliction for which I have treated him over a period of nearly 18 years."

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COSTELLO was asked whether he had a meeting with WILLIAM O'DWYER in 1942 and whether or not he knew JAMES MORAN. COSTELLO refused to answer any questions. Later on, COSTELLO stated he had a meeting in 1942 with WILLIAM O'DWYER, and that he knew JAMES MORAN. He recalled that O'DWYER came to his home and inquired about JOE BAKER, alias JOSEPH ZUCKER, who, at that time, resided at the Madison Hotel. He stated he helped Congressman NICK KENNEDY, who, in 1943, was the leader of Tammany Hall, just by talking to some leaders who were friendly with him, probably JIMMY KELLY, FRANK MANCUSO, Dr. SARUBBI, and a few others.

KELLY was leader of the Second District, now deceased, whose true name was JIMMY DE SALVIO. According to COSTELLO, KELLY was an old friend of his and KELLY had a son-in-law or a son, whose name is AUGIE PISANO, "Little Augie." He has known FRANK MANCUSO for many, many years as a very close friend.

He advised that he had been in a position to make a contribution in a campaign, but he had not made any contribution. He stated he had not ever voted and that he was not a member of any political organization and never was. "I am not a politician," "I am a friend of some politicians." He stated that while he was working or having KENNEDY elected, he knew ABE ROSENTHAL, leader of the 8th District, and when ROSENTHAL wanted Judge AURELIO nominated, ROSENTHAL possibly spoke to him.

He was also a friend of AL KOPLITZ, Chief Clerk, Board of Elections, during that period of time. Of the District Leaders, FRANK MANCUSO was the closest, who was also a close friend of HUGO ROGERS, leader of Tammany Hall in 1949. He stated, however, he did not know FRANK SAMPSON. He had known CARMINE DE SAPIO, a friend of his, for five years or so. He, at one time, met at the Biltmore Hotel with GENE POPE, Judge MANCUSO, CARMINE DE SAPIO and Judge VALENTE may have been there. This was a meeting GENE POPE had arranged for some sort of an Italian charity drive.

As to what business enterprises he was engaged in, COSTELLO stated he was "engaged in that jet broiler and the Beverly Club." The broiler company took none of his time as it

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was in its infancy. "We just started it" and he left the whole thing to Mr. WOLF. "I have seen the broiler and I think it's the finest broiler made, it's an infra-red broiler." He advised he had never been to the office of the broiler company. He stated "The broiler itself, I like the way it's made up and the way it looks. It's compact. What else do you want me to tell you?"

He stated it was an investment he had made and that he had confidence in it. According to COSTELLO, the company in which he had a 35 per cent interest, makes infrared broilers. Mr. WOLF liked the proposition and his advice was "right for him." He indicated that Mr. NATHANSON was connected with the broiler. He also stated he did have the 79 Wall Street Corporation from 1949 to 1950, which was also an investment.

COSTELLO also testified he had the Realty Trading Company, which he started a few months prior. He did not know the directors of the company, other than Mr. WOLF, as WOLF drew up the papers for this company. He stated, however, he was a director of this company.

"Mr. Wolf. That was a realty corporation in name that was organized for the purpose of Mr. Costello's negotiating for the purchase of a piece of real estate some time ago. Outside of the fact that the corporation was formed by filing a certificate of incorporation, the corporation hasn't operated as such. It did not purchase any real estate, and it has -- as a matter of fact, nothing has been done.

"Mr. Halley. So you would hardly agree with your client that it is a business, legitimate or otherwise, just a piece of paper?

"Mr. Wolf. I would say that it is a corporation organized to purchase a piece of real estate that was then had in mind and nothing came of it, and the corporation has not been liquidated and it still exists in law as a corporation.

"Mr. Halley. But it is completely inactive?

"Mr. Wolf. Inactive, except for the purpose, if Mr.

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"Costello ever intends to purchase a piece of real estate through that corporation, it is in existence for that purpose.

"Mr. Halley. But it has no real estate at the present time?

"Mr. Wolf. It is not an active real estate corporation as such.

"Mr. Halley. What other legitimate businesses or enterprises do you have?

"Mr. Costello. At present, none."

COSTELLO testified that he had some oil investments, this being in oil wells. He happened to get into the oil investment through FRANK ERICKSON, who mentioned it to him one morning in the Waldorf-Astoria Barber Shop. He, at that time, had no facts whatsoever concerning the oil wells and it was just a blind investment on his part. In fact, he was gambling with ERICKSON. He invested \$3,900 or \$4,000 with ERICKSON and Mrs. UFFNER had an interest, as well as individuals named BREUIL and RYAN.

He had known GEORGE UFFNER as a friend for quite some time; however, UFFNER had not been associated with him in any gambling enterprises. He did not know UFFNER to be in the gambling business, outside of "making a bet," and he had not inquired as to his occupation while playing golf together. When Mrs. COSTELLO purchased their Sands Point home, they were unable, at that time, to secure a telephone and UFFNER had his telephone transferred to their home in Sands Point.

UFFNER had never worked for him, according to COSTELLO. He was of the opinion that his checks from the oil venture came from the King Oil Company and he advised that RYAN is an oil man whom he has known in the past, maybe 15 years. He may have seen RYAN at a race track and may have seen RYAN with ERICKSON in Miami.

According to COSTELLO, his oil interest was 4/48ths. He testified that his oil investment was \$4,000 in cash to ERICKSON and over a period of time, invested various additional

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sums. He received a return of maybe \$4,000 or \$5,000 a year and from a total investment of \$41,114, he had received a total of \$92,060,71. These leases were in Texas, counties of Wise, Jones, Lovin and Schleicher.

He testified he had no other legitimate enterprises at that time. During the past ten years, he had had an interest in the Beverly Club, the 79 Wall Street Corporation, and the Tele-King Television Corporation. He knew LOUIS POKRASS, of Tele-King Corporation, and he invested \$20,000 and later found out that MEYER LANSKY also had an interest in Tele-King Corporation. The Tele-King Corporation wanted him to invest additional money or to loan the company money, but he did not do this inasmuch as he did not have much confidence in this corporation. He turned the stock in and POKRASS paid him back in full.

"Mr. Halley. Have you had any other legitimate businesses or occupations in the last 10 years? That would take us back, say, to 1940.

"Mr. Costello. Not that I could remember offhand.

"Senator Tobey. Right there, may I interpolate a question, Mr. Witness:

"Have you any interest, direct or indirect, in automatic voting machine companies?

"Mr. Costello. No.

"Senator Tobey. Have you had in the past?

"Mr. Costello. Beg pardon?

"Senator Tobey. Have you had in the past?

"Mr. Costello. Never.

"Mr. Halley. Perhaps at this part we should also clear the record on certain other subjects that have come up very often.

"Do you have any interest, direct or indirect, through

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"a nominee, through anyone else whatsoever, in the Copacabana Night Club?

"Mr. Costello. No.

"Mr. Halley. Have you ever loaned them any money, the club or any of its partners?

"Mr. Costello. Never.

"Mr. Halley. Directly or indirectly?

"Mr. Halley. Through any third person?

"Mr. Costello. Never.

Mr. Halley. Do you own any interest, direct or indirect, in any hotel in New York City?

"Mr. Costello. No.

"Mr. Halley. With the exception of your home at Sands Point, do you own any real estate at this time, anywhere in the entire world?

"Mr. Costello. No.

"Mr. Halley. Now, do you know whether or not the answers you have just given apply to your wife?

"Mr. Costello. No; they don't apply to my wife.

"Mr. Halley. To your knowledge, does your wife have any interest, direct or indirect, in any hotel in New York City?

"Mr. Costello. No.

"Mr. Halley. To your knowledge, does she have any interest in the Copacabana night club?

"Mr. Costello. No.

"Mr. Halley. Does she have any interest, or do you have

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"any interest, in any other night club?

"Mr. Costello. No.

"Mr. Halley. Or in any restaurant?

"Mr. Costello. No.

"Mr. Halley. Does your wife have any real estate, to your knowledge, other than the real estate you have mentioned up to this point?

"Mr. Costello. I believe she has a little real estate in Florida.

"Mr. Halley. And what is the nature of that real estate?

"Mr. Costello. Just some vacant property.

"Mr. Halley. Located in what area?

"Mr. Costello. In Hollywood; Hollywood, Fla.

"Mr. Halley. It is empty lots?

"Mr. Costello. That's right.

"Mr. Halley. Do you know how many she holds?

"Mr. Costello. A couple of lots; a few lots.

"Mr. Halley. Well, how many would you say?

"Mr. Costello. Three lots.

"Mr. Halley. Do you know what the purchase price was?

"Mr. Costello. Oh, I imagine it is around \$7,500, I believe.

"Mr. Halley. Does your wife own any other property, to your knowledge?

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"Mr. Costello. No.

"Mr. Halley. Who owns the house at Sands Point, yourself or your wife?

"Mr. Costello. My wife.

"Mr. Halley. What was the purchase price of that property?

"Mr. Costello. I believe it was \$30,000 or \$32,000.

"Mr. Halley. Have there been various investments added to it, improvements?

"Mr. Costello. Not many; no.

"Mr. Halley. When was that property bought?

"Mr. Costello. About 7 years ago, I believe; 7, 8 years ago.

"Mr. Halley. What other properties of any type, number or description do you, or to your knowledge, does your wife own, directly or indirectly?

"Mr. Costello. No other properties.

"Mr. Halley. To summarize, then, there is ----

"The Chairman. Well, Mr. Costello, the music-box business in New Orleans, she still has an interest in that?

"Mr. Costello. No. That has been out of business for years; many years.

"The Chairman. You still have an interest in the Louisiana Mint Co.; at least for the purpose of claiming damages for the destruction of certain machines, do you not? I think you testified about that the other day.

"Mr. Costello. I testified to that.

"The Chairman. But you have a suit pending against the

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"marshal and others to try to get some money back on that?

"Mr. Costello. I believe the company has; yes.

"The Chairman. Yes. That's right.

"Mr. Halley. Your testimony, then, is that at the present time you have no property other than your home in Sands Point, you or your wife, a few lots in Florida which you have described, your interest in your oil leases, and your interest in your Jet Broiler Co.; is that correct?

"Mr. Costello. Correct.

"Mr. Halley. I believe you testified that you had \$90,000 or \$100,000 in the bank; is that right?

"Mr. Costello. Right.

"Mr. Halley. Do you have any other bank accounts whatsoever, in addition to the one bank account about which you did testify?

"Mr. Costello. No.

"Mr. Halley. Does your wife have any money in any banks, to your knowledge?

"Mr. Costello. I won't answer that; I wouldn't know.

"Mr. Halley. Well, to your knowledge does she have any money in any bank?

"Mr. Costello. Well, she has an account in the same bank I have. I don't know if she has any money there.

"Mr. Halley. Do you know if she has any money in the account?

"Mr. Costello. I imagine she must have some money in there.

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"Mr. Halley. Do you know whether it is in excess of \$10,000?

"Mr. Costello. I wouldn't know.

"Mr. Halley. You just have no knowledge on that subject at all?

"Mr. Costello. I have no knowledge.

"Mr. Halley. You also testified that you had a strong box in your home; is that right?

"Mr. Costello. That's right.

"Mr. Halley. You were not quite sure how much cash you had in that strong box when you last testified.

"Have you had an opportunity to look since, check up on it?

"Mr. Costello. I believe it is in the neighborhood of from \$40,000 to \$43,000, I believe. I didn't take a particular count.

"Mr. Halley. But you did check up?

"Mr. Costello. Yes.

"Mr. Halley. Do you have any cash moneys in excess of \$10,000 anywhere else, cash?

"Mr. Costello. I am not going to answer that question, Mr. Halley.

"Mr. Halley. On what ground?

"Mr. Costello. On the grounds that it is on my net worth that I had objected before.

"Mr. Halley. We will get back to it, if we may.

"The Chairman. All right.

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"Mr. Halley. Do you have any safe-deposit boxes anywhere other than the boxes in your home?

"Mr. Costello. No.

"Mr. Halley. Do you have any places where you keep cash money any place other than the one box you have described in your home?

"Mr. Costello. No.

"Mr. Halley. Do you have anyone who holds cash money for you?

"Mr. Costello. That holds cash money for me?

"Mr. Halley. Yes.

"Mr. Costello. No.

"Mr. Halley. But you refuse to answer whether or not you have any cash money other than those you have described?

"Mr. Costello. Well, I might have some other cash money, but I am not - I haven't got it in nobox.

"Mr. Halley. Where do you have it?

"Mr. Costello. Well, I refuse to disclose that.

"Senator Tobey. Now, Mister --

"The Chairman. Mr. Costello, we will have to direct you to answer that question.

"Mr. Costello. Well, I will have to consult my counsel on that question.

"The Chairman. All right, you consult him.

"Senator Tobey. May I just point out to his counsel, when we were here in February together in executive session, at the close of the hearing I asked Mr. Costello what was his net

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"worth and you interpolated with him, talked together back there and you agreed, gave your word, that you would have that statement of assets and liabilities and net worth for us in a few days. That was over 6 weeks ago. It hasn't come.

"Here is a witness before a United States Senate sub-committee. We are examining about his life, and his past, and his assets and liabilities, and every time we get to the point of knowing what he is worth, what his net worth is, we are shunted aside.

"Now, you are a lawyer; you are a member of the bar. Hasn't this committee got a right, in an examination, to know the financial condition of a witness?

"Mr. Wolf. I would say yes; it has the right, Senator. I don't think there is any question about that. I think it is a very legitimate inquiry, but --

"The Chairman. Mr. Wolf, in order that we can get on -- we have been over this time and time again -- you are going to submit a memorandum, and the committee has decided it has a right to know; also that there was at least an agreement, as we see it, that you would furnish the information.

"Now, I don't think we ought to spend a great deal of time rearguing the matter now.

"Mr. Halley. Mr. Chairman, before the witness consults with his attorney, I would like to make it clear that, no matter what his reasons were up to this morning, he has now answered so many questions with reference to his financial status and so many questions with reference to his net worth that I think he has waived any right to stop at this particular point.

"Mr. Wolf. Well, I disagree with you, Mr. Halley. The questions he was answering were questions that he was asked before and answered. Now, while these items might go into the general question of net worth, certainly the question of net worth itself is a question that stands by itself. But Senator Tobey has asked me a question. I would still like to answer that question.

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"Mr. Halley. Still before you answer, so you answer it precisely, the immediate question is not what his net worth is. He may have various obligations. The immediate question is simply what other cash does he have, since he has already stated that he had some cash and stated where he has it, and I think that at this point the witness is in no position to refuse to go further.

"Mr. Wolf. Well, I am not going to take issue with you on that question, Mr. Halley.

"Mr. Halley. I want you to know what issue you are taking; that is the point.

"Senator Tobey. Well, Mr. Wolf, may I suggest in all respect that you withhold your explanation until the witness answers Mr. Halley's question.

"Mr. Wolf. Well, your question, Senator Tobey, you asked me first whether you didn't think it was a legitimate inquiry.

"Senator Tobey. Yes.

"Mr. Wolf. I want to make my position very clear.

"Senator Tobey. Do you prefer an answer, Mr. Halley, from the witness first?

"Mr. Halley. I think we might well let counsel say what he has to say and then I do expect the witness to answer.

"Senator Tobey. All right, sir.

"Mr. Wolf. But now, then, without disputing the fact that that is a legitimate inquiry, and that you are well within the rights of the committee in asking such a question, I think the question, as a matter of fact, is pertinent. Now the question arises as to whether or not 'this witness' rights -- constitutional rights, Senator Tobey, are involved.

"Now, that is all that I am concerned with as his attorney now. The question is that on this particular item I would like to consult the witness.

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"Senator Tobey. Now, here is something I want to put in as addenda. Assume the man had 10 million in cash in the hands of agents or in safe-deposit vaults across the country, and assume he had certain liabilities and owed certain moneys. If you told us his assets and liabilities, we would be able to judge his worth. That is always the first question that is asked in a court of law. The court would always inquire as to the financial situation of the man, but every time we get to this certain point the curtain is drawn down; and I simply say, about constitutional rights, that a Senate committee is making an inquiry, and if any witness stands before us and says, 'I will go thus far and no further,' and when you yourself say it is a legitimate question, why then, I wonder why. It makes us suspicious, and I don't want to be suspicious.

"I wish to God the man would come through clean and say, 'I have arrived at this time of life, and I have made money and I have got a home. I see what you are trying to do is for the good of the country, and I will tell you.'

"It might reflect on him, or it might not, but it would be for the good of the country. But he can't cover up and duck these questions every time we get to this point.

"Mr. Wolf. I disagree with you there, Senator. I don't think he is seeking to cover up on every occasion. It has now reached the point -- I think the witness has been generally frank in answering questions -- "

"Mr. Halley. The question was: In addition to the cash moneys you have mentioned as having been in a strong box in your apartment, do you have any other cash moneys which you keep elsewhere?

"Mr. Costello. I will answer that question, Mr. Halley. I believe I have four, five thousand dollars more.

"Mr. Halley. And where do you keep that?

"Mr. Costello. I have it in my home in Sands Point.

"Mr. Halley. Do you have a strong box in your home at Sands Point?

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"Mr. Costello. No; I have it in Sands Point.

"Mr. Halley. Just secreted somewhere?

"Mr. Costello. Yes.

"Mr. Halley. Now, in addition to that \$4,000 or \$5,000 at Sands Point, and the \$40,000 to \$43,000 in your home at 115 Central Park West, do you have any other cash moneys anywhere whatsoever?

"Mr. Costello. No.

"Mr. Halley. Do you have any securities, stocks, bonds, or any securities of any type whatsoever?

"Mr. Costello. Well, I personally don't.

"Mr. Halley. What stock was that?

"Mr. Costello. Television stock.

"Mr. Halley. And how many shares was that?

"Mr. Costello. Two hundred.

"Mr. Halley. I think I recall that.

"Do you or Mrs. Costello have any other securities?

"Mr. Costello. I have none.

"Mr. Halley. Do you have any notes payable or any evidences of indebtedness whatsoever, to you or Mrs. Costello?

"Mr. Costello. Payable to me?

"Mr. Halley. Yes.

"Mr. Costello. No.

"Mr. Halley. Or to Mrs. Costello?

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"Mr. Costello. No; not that I know of.

"Mr. Halley. Does anybody owe you any sums of money in excess of a thousand dollars?

"Mr. Costello. Now, let me get that, if you don't mind, Mr. Halley. What was the first question?

"Mr. Halley. Do you mean the one you previously answered?

"Mr. Costello. Yes.

"Mr. Halley. You had better ask the stenographer to repeat it. Will you?

"(The question referred to was read by the reporter as follows:)

"Mr. Halley. Do you have any notes payable or any evidences of indebtedness whatsoever, to you or Mrs. Costello?

"Mr. Costello. No.

"Mr. Halley. Does anybody owe Mrs. Costello, to your knowledge, any sums of money in excess of \$1,000?

"Mr. Costello. Not to my knowledge.

"Mr. Halley. Do you have any interests, direct or indirect, in any mines, in any oil wells, in any enterprises whatsoever, anywhere in the United States or outside of the United States, other than those which you have mentioned here?

"Mr. Costello. No.

"Mr. Halley. You have now mentioned all of your property?

"Mr. Costello. Right.

"Mr. Halley. Now, Mr. Costello, do you owe anybody any sums of money in excess of \$1,000?

"Mr. Costello. Yes.

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"Mr. Halley. What is the total amount of your indebtedness?

"Mr. Costello. Thirty thousand.

"Mr. Halley. And to whom do you owe that?

"Mr. Costello. Mr. Erickson.

"Mr. Halley. And that is \$30,000 we talked about some time ago?

"Mr. Costello. That's right.

"Mr. Halley. In addition to that, do you have any other indebtedness in excess of \$1,000?

"Mr. Costello. Well, I owe, yes, I believe I do.

"Mr. Halley. Well, you naturally would owe income-tax payments which you have not made yet for this year. Will you state any other sums of money you owe?

"Mr. Wolf. May I consult with the witness, please?

"Mr. Halley. Surely.

"Mr. Wolf. Will you repeat the question?

"(The question referred to was read by the reporter as follows:)

"Mr. Halley. Well, you naturally would owe income-tax payments which you haven't made yet for this year. Will you state any other sums of money you owe?

"Mr. Costello. I decline to answer that, Mr. Halley.

"Mr. Halley. Do you owe any sums of money in excess of \$10,000 to any person?

"Mr. Costello. I decline to answer that.

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"Mr. Halley. Will the committee direct the witness to answer?

"The Chairman. Yes. We will have to direct you to answer that question, Mr. Costello.

"Mr. Costello. I decline to answer the question.

"The Chairman. All right.

"Mr. Halley. This is a question confined to this point to sums of money in addition to \$10,000, and it is: Do you owe in excess of \$10,000 to any person, company, corporation, or organization?

"Mr. Costello. I decline to answer it.

"The Chairman. You understand you have been directed to answer it.

"Mr. Costello. And I still decline.

"Mr. Wolf. I have consulted with the witness on that.

"Mr. Halley. What is the total indebtedness, Mr. Costello?

"Mr. Costello. I decline to answer that question.

"The Chairman. Well, you are directed to answer that question.

"Mr. Costello. I still decline. It goes into my net worth - which I had objected prior.

"Mr. Halley. You do owe \$30,000 to Mr. Erickson?

"Mr. Costello. Yes.

"Mr. Halley. Now, is it still your testimony that you do not have any interest in the Whiteley's Distilleries?

"Mr. Costello. Absolutely.

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"Mr. Halley. Or the Alliance Distributors?

"Mr. Costello. Absolutely.

"Mr. Halley. And do you remember whether or not you have received sums of money in cash directly or indirectly from the Whiteley Distilleries or the Alliance Distributors?

"Mr. Costello. Never did.

"Mr. Halley. Do you now or did you ever have any interest in the distribution of Kings Ransom and House of Lords?

"Mr. Costello. Never had any interest, financial interest; I believe I answered that question before.

"Mr. Halley. I wanted to be sure that you hadn't changed your testimony about that. You stand on your previous testimony?

"Mr. Costello. That's right.

"Mr. Halley. With no changes?

"Mr. Costello. No changes.

"Mr. Halley. Now, going back prior to 1940, have you had any other legitimate businesses? I think you mentioned having had some real estate investments at one time; is that right?

"Mr. Costello. Yes.

"Mr. Halley. Perhaps it would be better if we started at the other end. What was your first occupation, the first business or occupation in which you engaged?

"Mr. Costello. I believe I worked in a piano factory, I told you.

"Mr. Halley. Then I think after that, was it right after that that you were convicted on this gun charge?

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"Mr. Costello. Yes, 1915, I believe.

"Mr. Halley. After you were released from jail, what did you do then? Where did you work, or what occupation did you have?

"Mr. Costello. Well, we were manufacturing -- I was interested with a fellow named Horowitz, manufacturing kewpie dolls.

"Mr. Halley. That was not a successful enterprise, was it?

"Mr. Costello. Well, we did all right with it. What do you call successful?

"Mr. Halley. You didn't stay in the business very long, did you?

"Mr. Costello. A few years I might have been.

"Mr. Halley. Did you have some other businesses with Horowitz?

"Mr. Costello. No.

"Mr. Halley. None other whatsoever?

"Mr. Costello. Not that I can remember.

"Mr. Halley. Didn't you make punchboards with Horowitz?

"Mr. Costello. No.

"Mr. Halley. Were you ever in the punchboard business?

"Mr. Costello. Well, we manufactured these dolls and they used to buy them from us and they used to put them on a punchboard.

"Mr. Halley. The doll went on to a punchboard?

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"Mr. Costello. That's right.

"Mr. Halley. Who bought them from you?

"Mr. Costello. Oh, I couldn't remember 30 years ago. I don't remember.

"Mr. Halley. What was your contact with the punchboard industry 30 years ago? Just in general, Mr. Costello.

"Mr. Costello. No contact at all. People come up there and they buy these dolls and they used them for that purpose.

"Mr. Halley. By punchboards you mean the kind of board that has a lot of little holes that can be punched out, each hole can be punched out?

"Mr. Costello. And that would be the prize, yes.

"Mr. Halley. And the doll would be the prize?

"Mr. Costello. That, and a Gillette razor; we handled that also.

"Mr. Halley. In other words, you were in the business of providing the prizes for the people who were foolish enough to put their money on punchboards?

"Mr. Costello. Yes, if they was foolish enough to spend a penny in picking a number.


"Mr. Halley. What was your next occupation after that?

"Mr. Costello. Well, what year are you going into now?

"Mr. Halley. Well, how long were you in the punchboard business -- well, the prize business, I should say, with Mr. Horowitz?

"Mr. Costello. A few years.

"Mr. Halley. Until about 1918 or 1919?

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"Mr. Costello. About till 1919, yes, I imagine.

"Mr. Halley. Then you went into what business?

"Mr. Costello. Then I went in the real estate business.

"Mr. Halley. Where did you get the money for the real estate business?

"Mr. Costello. Money? Money that I had accumulated. I don't know where I got it.

"Mr. Halley. Well, had you been in gambling businesses prior to that?

"Mr. Costello. No. I might have got it in the punchboard. I just don't remember.

"Mr. Halley. Didn't you actually get it in the gambling businesses?

"Mr. Costello. What do you mean, the gambling business?

"Mr. Halley. Well, you tell me how you got the money to start your real estate enterprise.

"Mr. Costello. I just don't remember how I got money 35 years ago, 30, to go in that particular business.

"Mr. Halley. Well, it was from gambling, wasn't it?

"Mr. Costello. It might have been from gambling.

"Mr. Halley. You were in the gambling business.

"Mr. Costello. Betting on a horse, or something.

"Mr. Halley. What?

"Mr. Costello. Betting on horses, or something.

"Mr. Halley. Well, you were in the gambling business yourself, were you not?

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"Mr. Costello. Well, just what do you mean, the gambling business? I say when a man is in the gambling business he has an establishment. If I bet on horses I wouldn't call that -- of course, we all bet on horses.

"Mr. Halley. Did you take bets on horses?

"Mr. Costello. No.

"Mr. Halley. When did you begin taking bets on horses?

"Mr. Costello. Well, I would say about 20 years ago.

"Mr. Halley. About 20 years ago?

"Mr. Costello. Yes.

"Mr. Halley. That would be after prohibition?

"Mr. Costello. When you say 'taking bets' ---

"Mr. Halley. Go ahead.

"Mr. Costello. It was a commission basis.

"Mr. Halley. You explain that.

"Mr. Costello. That's right. I was never a bookmaker.

"Mr. Halley. What were you?

"Mr. Costello. A commission.

"Mr. Halley. And what was that?

"Mr. Costello. If you wanted to bet on a horse, I would place it for you with a bookmaker.

"Mr. Wolf. That is not personal to you, Mr. Halley. He is speaking generally.

"Mr. Halley. In other words, you would take the bet, and you get 5 percent of the total amount bet; is that right?

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"Mr. Costello. That's right.

"Mr. Halley. And you would place the bet?

"Mr. Costello. That's right.

"Mr. Halley. You hung around the race track doing that?

"Mr. Costello. That's right.

"Mr. Halley. And that was after prohibition; is that right; after 1930?

"Mr. Costello. Yes; I imagine it was.

"Mr. Halley. What did you do prior to 1930, and after you got out of the punchboard business?

"Mr. Costello. I believe I built some homes up the Bronx.

"Mr. Halley. With the proceeds of gambling; is that right?

"Mr. Costello. Well, I wouldn't specify just what proceeds they were.

"Mr. Halley. Was it the proceeds of your liquor business?

"Mr. Costello. No; no liquor business.

"Mr. Halley. You were in the liquor business?

"Mr. Costello. No; I wasn't.

"Mr. Halley. At no time?

"Mr. Costello. Not until 1937.

"Mr. Halley. Until 1937?

"Mr. Costello. 1927.

"Mr. Halley. 1927. Well, you know that is just not so.

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"Mr. Costello. Why isn't it so?

"Mr. Halley. You were indicted in 1925.

"Mr. Costello. But I wasn't convicted.

"Mr. Halley. You weren't convicted.

"Mr. Costello. That means I didn't sell no liquor.

"Mr. Halley. Does it, Mr. Costello?

"When you finally got into the liquor business, whatever the date, with whom were you associated? Whom did you buy it from, and whom did you sell to?

"Mr. Costello. I believe I made that statement before, Mr. Halley.

"Mr. Halley. We were talking about your source, and I think we have exhausted that subject, the question of how you got it from Canada, and through whom, and so forth.

"Now I am talking about whom you sold it to, and whom you dealt with in this country.

"Mr. Costello. I don't remember who I sold it to. It is so far back.

"Mr. Halley. In other words, we are away from the sources now, and we are on your customers here.

"Did you sell to any members of the so-called Capone syndicate?

"Mr. Costello. No."

According to COSTELLO, the legitimate occupations he had been in since 1920 were the Kolsar Realty Company and Dainties Products Company.

The Kolsar Realty Company operated from 1922 to 1925.

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as a real estate business, having had one transaction on 92nd Street and Lexington Avenue. This realty company also built one or two apartment houses in Bronx, New York.

The Dainties Products Company was an ice cream company which dealt in eskimo pies. He put \$15,000 or \$20,000 into Dainties Products Company, which operated in approximately 1920. He stayed in this business only for a short period of time. He also put some money in a doll company approximately 32 years ago, but lost his money. He could not say whether he had gotten his money from any of these ventures from bootlegging or from gambling.

From the prohibition days up until the time he invested in the 79 Wall Street Corporation, the above-mentioned ventures were his legitimate businesses.

"Mr. Halley. And wasn't that your last legitimate business, except for the investments of your money in real estate other than your oil and Jet Broiler deal, that you were talking about this morning?"

"Mr. Costello. I suppose so, yes."

He testified that he was put out of the slot machine business by Mayor FIORELLO LA GUARDIA and that after this, he went into the slot machine business in Louisiana. He had 50 per cent of JOE STEIN's interest in the Piping Rock Casino at Saratoga Springs, New York, in 1940 or 1941, and that STEIN's interest at that time was 30 per cent.

He knew CHARLES LUCIANO well and in 1946, he and MEYER LANSKY visited with LUCIANO at Ellis Island. Later in 1947 or 1948, he had been in Florida and went on to Havana, Cuba, for a couple of days. He met LUCIANO in the lobby of the hotel in Havana and LUCIANO rode out to the airport with him; however, they did not discuss any business matter. He also stated that he did not attend any party aboard the ship "Laura Keane" with LUCKY LUCIANO before LUCIANO was deported.

He also had known ABNER ZWILLMAN as an old friend for 12 or so years. He had no business whatsoever with him and was not in business with him during the prohibition days. He

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also stated he knew MURRAY OLF fairly well, but he did not remember what business he was in when he knew him in New York City, nor could he remember whether OLF was in the stock selling business.

The subject admitted knowing or having met the following individuals:

WILLIE MORETTI (deceased)
ABNER "LONGY" ZWILLMAN
PHIL KASTEL
CARLOS MARCELLO
LITTLE AUGIE PISANO
JOE ADONIS (deported)
"BUGSY" SIEGEL (deceased)
JOHN ROSELLI (had met)
CHARLIE FISCHETTI (of Chicago)
AL CAPONE (deceased)
ROCCO FISCHETTI
ARTHUR SAMISH

It is noted that ZWILLMAN is a top hoodlum of the Newark York Office; KASTEL and [REDACTED] are top hoodlums of the New York Office; ROSELLI is a top hoodlum of the Los Angeles Office, and ROCCO FISCHETTI is a top hoodlum of the Chicago Office. It is also noted that PISANO is a top hoodlum of the New York Office.

It is further noted that information concerning ZWILLMAN, KASTEL, [REDACTED] ROSELLI [REDACTED] has previously been set out in New York reports.

Subject also testified that he did not know MICKEY COHEN. It is noted that MICKEY COHEN is a top hoodlum of the Los Angeles Office.

COSTELLO testified that his summer home in Sands Point is in the name of Mrs. COSTELLO, which was purchased 7 to 10 years ago. Mrs. COSTELLO purchased the home herself with her own funds, but possibly with part of funds which he had given her. He and his wife go to their Sands Point home during the summer time, but [REDACTED] very little during the winter. He

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usually goes to Hot Springs, Arkansas, in March and October, and to Florida for a week or so during January and February. While in Florida, he generally stays at the Sherry Frontenac Hotel.

"Senator Tobey. In 1949, whom did you prefer, Mayor O'Dwyer or Newbold Morris?

"Mr. Costello. No one.

"Senator Tobey. Didn't you say a few minutes ago you were a good citizen?

"Mr. Costello. Yes.

"Senator Tobey. You don't vote? Is that a test of good citizenship to refrain from voting?

"Mr. Costello. Well, there are millions who don't vote.

"Senator Tobey. That isn't the question, sir. Guilt is personal in this country."

"Senator Tobey. Now I am interested to ask you -- and I don't do this with bitterness; it is my job to ask you questions and yours to answer them -- I want to ask you a little bit more about the Aurelio case, and we needn't be long about it.

"You did use your influence and efforts, best efforts, to get Mr. Aurelio elected, did you not?

"Mr. Costello. I testified to that.

"Senator Tobey. Yes, exactly.

"Mr. Costello. That's right.

"Senator Tobey. Now, what other members of the judiciary, if any, did you, or were you ever interested in to get elected and into office?

"Mr. Costello. No other.

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"Senator Tobey. Aurelio was the only case?

"Mr. Costello. Absolutely."

"The Chairman. Now, Mr. Costello, in talking about whether you financed other people to be in business, didn't you finance your brother-in-law, Geigerman, in New Orleans, in the Louisiana Mint Co, and other ventures you have had with the Geigermans?

"Mr. Costello. No.

"The Chairman. That was their own money that they went into this venture with?"

"Do you have any more questions, Senator Tobey?

"Senator Tobey. I just have one. Mr. Costello, do you own any gold?

"Mr. Costello. No.

"Senator Tobey. Do you own any diamonds?

"Mr. Costello. No.

"Senator Tobey. Do you own any war bonds, or did you ever own any United States war bonds?

"Mr. Costello. Yes.

"Senator Tobey. To what extent?

"Mr. Costello. I won't answer that question.

"The Chairman. Well, there certainly isn't anything incriminating about asking about your ownership of war bonds.

"Mr. Wolf. May I advise the witness?

"The Chairman. Yes.

"Mr. Wolf. The question is 'do you' or 'did you'? What is the question?

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"Senator Tobey. The question is --

"The Chairman. To what extent did he own any.

"Senator Tobey. Yes.

"Oh, come across and answer the question, for heaven's sake.

"Mr. Wolf. Just one moment, Senator. I am trying to advise with my client.

"Senator Tobey. Well, it is a simple question.

"Mr. Wolf. It may be a simple question, but I think the witness is entitled to the advice of his counsel.

"The Chairman. All right. You advise as quickly as you can.

"Mr. Costello. I have none.

"Senator Tobey. Did you ever own any?

"Mr. Costello. No.

"Senator Tobey. Then your testimony, as I understand it, is that you have not now, you don't own any now, and you never have owned any United States war bonds; is that correct?

"Mr. Costello. I have bought some under Mrs. Costello's name to give to Mrs. Costello.

"Senator Tobey. Has she them now?

"Mr. Costello. I believe she has.

"Senator Tobey. In what amounts?

"Mr. Costello. I couldn't tell you."

"The Chairman. Senator Tobey.

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"Senator Tobey. I would like to ask a few questions. I won't be over 10 minutes.

"This morning, in speaking about your net worth, and the controversy which we had together and with Mr. Wolf, there was one question neither Mr. Halley nor I wanted to bring out, and because it had a potential, if true, I propound it to you.

"With reference to your quick assets, your wealth, have you in your possession or in the possession of your wife or any friends in your behalf, a bank cashier's check payable to you or friends or your wife, which you are holding as good as cash but not cash -- bank cashier's checks? Do you know what they are?

"Mr. Costello. Yes.

"Senator Tobey. Have you any of these?

"Mr. Costello. No; I haven't."

"Senator Tobey. My concluding question is addressed to you, sir, and it is an important question. Will you now comply with your agreement with this committee made last February and keep your word then given and give this committee a sworn statement of your net worth and assets and liabilities?

"Mr. Costello. I will not."

"Senator Tobey. Why did you decide to take out naturalization papers in this country?

"Mr. Costello. I wanted to be an American citizen.

"Senator Tobey. And why did you want to be an American citizen?

"Mr. Costello. Why? Because I love this country.

"Senator Tobey. During these years since you have been here, have you prized the privilege of being a citizen of the United States?

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"Mr. Costello. I believe I have.

"Senator Tobey. Do you appreciate the rights that are yours as an American citizen?

"Mr. Costello. I do.

"Senator Tobey. Has this country come up to your anticipations?

"Mr. Costello. Has it?

"Senator Tobey. Yes.

"Mr. Costello. Yes.

"Senator Tobey. In the years which have elapsed since you became a citizen you have fared pretty well in material things; have you not?

"Mr. Costello. I have.

"Senator Tobey. When you signed or had someone sign your naturalization papers, what did you promise to do as a citizen of the United States?

"Mr. Costello. Well, I promised to obey, naturally.

"Senator Tobey. Obey what?

"Mr. Costello. The Constitution.

"Senator Tobey. And the laws?

"Mr. Costello. That's right.

"Senator Tobey. All right. Have you always upheld the Constitution and the laws of your State and Nation?

"Mr. Costello. I believe I have.

"Senator Tobey. Have you offered your services to any war effort of this country?

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"Mr. Costello. No.

"Senator Tobey. Bearing in mind all that you have gained and received in wealth, what have you ~~88ff~~ for your country as a good citizen?

"Mr. Costello. Well, I don't know what you mean by that.

"Senator Tobey. You are looking back over the years, now, to that time when you became a citizen.

"Now, spending 20-odd years after that, you must have in your mind some things you have done that you can speak of to your credit as an American citizen. If so, what are they?

"Mr. Costello. Paid my tax.

"Senator Tobey. You came over to the United States under the name of Francisco Castiglia, did you not?

"Mr. Costello. That's right.

"Senator Tobey. That was deceit, was it not?

"Mr. Costello. It was not.

"Senator Tobey. It wasn't?

"Mr. Costello. Just what do you mean, deceit?

"Senator Tobey. It was not deceit? Did you come in as Castiglia's name, and then you changed to Costello right afterward?

"Mr. Costello. On my citizenship, yes.

"Senator Tobey. How soon afterward?

"Mr. Costello. Well, not afterward -- well, I have used that as long as I can remember.

"Senator Tobey. The Costello?

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"Mr. Costello. Yes; outside of one occasion.

"Senator Tobey. All right. You were a bootlegger in 1922, later bringing liquor in and arranging to have it brought in from England and Canada; is that correct?

"Mr. Costello. No; it is incorrect.

"Senator Tobey. And in your testimony before us, I think the record will substantiate it. But if you did bring liquor in, and were a bootlegger, then you were against the laws and the Constitution, were you not? You flaunted the Constitution, violated the laws, if that evidence is correct that I speak of; is that right?

"Mr. Costello. If the evidence is correct. But I haven't.

"Senator Tobey. Didn't you bring liquor in or cause it to be brought in from Canada and alluded to it as your liquor in a gathering, and didn't you sell it to people in this country?

"Mr. Costello. I bought liquor and sold it. But I didn't directly, myself, transport it.

"Senator Tobey. When you did that you broke the laws and flaunted the Constitution, did you not?

"Mr. Costello. Well, you can call it that; yes.

"Senator Tobey. You call it that?

"Mr. Costello. Yes.

"Senator Tobey. Do you realize, with me and all good citizens, that there can be no qualified allegiance to the Constitution of the United States?

"Mr. Costello. Well, I wasn't the only one, Senator.

"Senator Tobey. I didn't ask you that. You are the

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"only man I am questioning now, sir. You are the one man I am questioning now, and I am asking Frank Costello if that is a true statement, or is it not?"

"Mr. Costello. Yes."

"Mr. Brundige. Ladies and gentlemen, Mr. Costello has been a rather mysterious figure to you of the television audience because he was not photographed, but at this time Mr. Costello is willing to face the camera and let you have a good look at him.

"Mr. Costello, as the photographer says to the little boy, will you smile a little bit?"

It is noted that throughout the hearings with regard to subject's testimony, it is punctuated with the following remarks of subject:

"Not to my recollection."

"Well, I might have."

"Well, I don't know."

"I won't say I didn't."

"I'm not going to remember years back."

"I don't remember."

"It's possible."

"Repeat that."

"I don't believe so."

"I can't remember the details, you are going back many years."

"I wouldn't know."

"I wouldn't remember."

(2) Reported Former Political Connections of
Subject and as Related to THOMAS A. AURELIO

In an effort to review the records of the Disbarment Hearings of then Magistrate THOMAS A. AURELIO in the New York City Supreme Court, before Referee CHARLES B. SEARS, ~~_____~~ b7C Clerk, New York County Clerk, Supreme Court, New York City, was contacted on April 7, 1958. ~~_____~~ stated that after a review of his indices, he was unable to locate any

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reference as to the AURELIO case. He did locate, however, file number 18205-1943 and this file was reviewed on April 7, 1958. It is noted that this file was not the record of the court proceedings in the matter of AURELIO, as desired; however, it was in regard to AURELIO.

This file was in the matter of the application of THOMAS A. AURELIO for an order directing S. HOWARD COHEN, DAVID B. COSTUMA, WILLIAM J. HEFFERMAN and JOHN R. CREWS, as and constituting the Board of Elections. THOMAS A. AURELIO was a candidate of the Republican and Democrat Parties for the office of Justice of the Supreme Court, First Judiciary District, to be filled at the general election, to be held in the State of New York on November 2, 1943. MATTHEW M. LEVY was a candidate for the American Labor Party.

The Board of Elections had declared its intention to place the name of LEVY in a separate line and column of the American Labor Party, as well as in a separate line of the Integrity Party and the Justice Party. AURELIO contended the name of LEVY should be placed only in a column of the American Labor Party. The only indication in this file as to the outcome of this matter was noted that on October 22, 1943, the matter was reversed. It is further noted that subject's name was not mentioned in this file.

It is noted that THOMAS A. AURELIO is currently a Supreme Court Justice, New York City.

With regard to the hearings concerning THOMAS A. AURELIO, the following is noted as appearing in "Collier's", April 19, 1947:

"A few insiders had known of Costello's political power for several years, but the average New Yorker didn't know that he was the real boss of Tammany Hall, and that he chose many of the candidates for whom New Yorkers voted, until District Attorney Frank S. Hogan broke the Aurelio case. The Democratic party nominated Aurelio on the night of August 23, 1943. A few days later he was also designated as the Republican nominee, under a bipartisan arrangements, designed to keep the judiciary out of politics, whereby the two major parties alternated in providing candidates. On August 28, 1943, District

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"Attorney Hogan issued a statement to the newspapers, in which he said, in part:

" 'Frank Costello, ex-convict and underworld leader allied with certain leaders in the Democratic party, brought about the nomination of Magistrate Thomas A. Aurelio as a candidate for justice of the Supreme Court. Costello, racketeer and gangster, is notorious throughout the country. He has been for years an associate of Charlie "Lucky" Luciano, Louis "Lepke" Buchalter, Jacob "Gurrah" Shapiro, Abe "Longie" Zwillman, Meyer Lansky of the "Bugs-Meyer" mob, Joseph Doto, alias Joe Adonis, the leader of the Brooklyn underworld, and other notorious gangsters and gunmen. At the present time Costello is on the black list of a federal agency as one who finances illicit narcotic transactions.'

"For some time, 'in the course of an investigation pending in my office into the criminal activities of Frank Costello.' District Attorney Hogan's detectives had been listening to Costello's conversations over his private, unlisted telephone. They had heard a good deal of talk between Costello and various Democratic politicians about the candidacy of 'Mr. A.' but were unable to identify Mr. A. definitely until the early morning of August 24, 1943, when Magistrate Aurelio telephoned Costello a few hours after he had been nominated. The following conversation was recorded by the detectives:

"Aurelio : 'Good morning, Francesco, how are you and thanks for everything.'

"Costello: 'Congratulations. It went over perfect. When I tell you something is in the bag you can rest assured.'

"Aurelio: 'It was perfect....It was fine...'

"Costello: 'Well, we will all have to get together, you, your missus, Joe and myself, and have dinner some night real soon.'

"Aurelio: 'That would be fine, but right now I want to assure you of my loyalty for all you have done. It's undying.'

"Costello: 'I know. I'll see you soon.'

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"District Attorney Hogan's statement said that although the facts did not disclose the commission of a crime, they did constitute an affront to the electorate and a threat to the integrity of the judiciary. He decided to present the matter to Kennedy in the hope that Kennedy would demand that Aurelio withdraw.

" 'Accordingly,' he said, 'in the presence of two distinguished members of the judiciary, I gave Mr. Kennedy the facts. He admitted that he knew Costello and had met with him and certain of the leaders mentioned to discuss politics. However, when I read the conversation between Magistrate Aurelio and Costello to him, Mr. Kennedy told me that he was "shocked," that he would insist that Magistrate Aurelio decline the nomination, and that, if he refused, he would repudiate him.'

"It did not come out until later, when Costello testified at the Aurelio disbarment hearings, that Kennedy had known the racketeer for twelve years, that they called each other by their first names, that Costello had supported Kennedy for the Tammany Hall leadership, that Kennedy had thanked Costello for his support, that Kennedy had been entertained in New Orleans by Dandy Phil Kastel, that since Kennedy became leader of Tammany Hall he had seen Costello at least once a week, and that Costello had been present at a meeting in Kennedy's office at which the nomination of Aurelio was decided upon.

"District Attorney Hogan took no further action until 6:30 o'clock on the night of August 27th, when he was informed that Aurelio had refused to withdraw his candidacy. It was then only a few hours before the legal deadline for filing such withdrawal, and the district attorney notified the Republican and American Labor parties of the conversation. The Republicans immediately reassembled their judicial convention and repudiated Aurelio's candidacy, and the Democrats were forced to do likewise.

"But Aurelio contended that the election laws did not permit such action, and was upheld by the courts. The Bar Association then decided to institute proceedings to remove Aurelio from office as magistrate, which if successful would

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"have debarred him from holding judicial office. Aurelio circumvented this move by resigning.

"Disbarment proceedings were then brought against Aurelio by the Bar Association, and hearings were held before Judge Charles B. Sears of Buffalo as referee. Both Costello and Aurelio testified, and admitted that Costello had been one of the prime movers in Aurelio's nomination. But Aurelio testified that he had known nothing of Costello's criminal background, and had supposed him to be a reputable businessman.

"A strenuous write-in campaign was then undertaken on behalf of an independent candidate named by the Democrats and Republicans, and support was also thrown to the American Labor party candidate. But Aurelio had the distinct advantage of having his name printed on both ballots. He was elected, although he polled 90,000 fewer votes than the combined total of his two opponents.

"The Aurelio case thus ended with a victory for Aurelio and Costello, but the election didn't end the complaints against Costello's domination of Tammany Hall. More than a year after Aurelio's election, in January, 1945, five Tammany district leaders wired Attorney General Francis Biddle declaring that Costello dominated the Hall, and urging him to oppose for federal office any candidate recommended by the Tammany leaders dominated by Costello.

"Two years after that, on January 7, 1947, Denis Tilden Lynch wrote in the New York Herald Tribune that Mayor William O'Dwyer of New York had begun a fight to clean up Tammany Hall and divorce it 'from any ties with dealers in narcotics, gamblers, dealers in judicial nominations and keepers of houses of prostitution.'

"A week or so later Frank J. Sampson, one of the insurgent Tammany leaders, went to Washington to confer with President Truman on the New York political situation.

"When the showdown finally came, Sampson was elected leader of Tammany Hall, and as this is written Costello's friends seem to be on the way out. But there are few political observers

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"in New York so naive as to believe that Costello's influence in the Hall has been eliminated. The strength of Tammany has always been in its district leaders, and Costello still knows plenty of them and there is scant indication that his influence over them has been lessened.

"District Attorney Hogan never divulged the nature of the inquiry 'into the criminal activities of Frank Costello' upon which his office was engaged when his detectives overheard the conversation between Costello and Aurelio. It was generally believed, however, that it was in connection with an investigation of New York night clubs which was being made by the License Bureau of the Police Department.

"The original purpose of this investigation was to determine whether the night clubs were withholding sales and business taxes due the city, but it ended as an effort to find out whether Costello owned an interest in the Copacabana, a night club operated by Monte Proser and recently immortalized in a moving picture, complete with gossip columnists and other characters out of Damon Runyon.

"Costello refused to testify at the hearings because he claimed that the city wished to pry unduly into his private affairs. The investigation was booming along in great shape, with everybody getting plenty of publicity and Mayor La Guardia having a fine time issuing statements to the press, when it was suddenly abandoned and the hearings discontinued. It was then announced that the Copacabana had received a temporary license for six months, and that a compromise agreement had been signed. This agreement called for the dismissal of the seven individuals named by the city as being connected with both Piping Rock and Copacabana. In reference to Costello, the agreement said in substance:

"Copacabana and Proser state that whatever interest Frank Costello may now have or have had in Copacabana is completely terminated and severed."

(3) Contact with Informants

[REDACTED]

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INTERVIEW REQUEST Federal Detention Headquarters - N.Y.C.

TO: Mr. Franklin DATE: 7/1/56

- () Please make the following change on my list of approved correspondents:
- () Please send the following telegram:
- () Please make the following change on my visiting list:
- () Please grant me an interview regarding: Sir: Please add to

mail & visiting list Mr. Harry Pope address
47 West 63rd St NYC - Cooperator Columbia Lane
& George Co

SIGNED: Frank Bratton NO. 2884 QUARTERS: C13 YORK —

NOTE: State briefly but EXACTLY all details of your request or form must be returned without action. Be sure to include full names, address and relationship of any persons involved. You may use the reverse side of this form if necessary.

F.D.H. #31

not answered
11-7-14-56

FEDERAL DETENTION HEADQUARTERS
DEPARTMENT OF JUSTICE
NEW YORK CITY

TO: Acting Captain

DATE 6/25/64

INTERVIEW REQUEST

- () Please make the following change on my list of approved correspondents
- () Please make the following change on my visiting list
- () Please grant me an interview regarding: -

OK
per
Warden
(initials)

May I respectfully request permission to phone
my wife after 6 P.M. As she is visiting brother
at S.P.P. The last word I received is she was ill &
I am quite upset & worried about the matter

SIGNED: Frank Costello

NO.

CHARTERS

WORK

NOTE: State briefly but EXACTLY all details of your request or form must be returned without action. Be sure to include full names, address and relationship of any persons involved. You may use the reverse side of this form if necessary.

OK
SIX

FEDERAL DETENTION HEADQUARTERS
DEPARTMENT of JUSTICE
NEW YORK CITY

INTERVIEW REQUEST

TO: Capt DATE: 5-23

- () Please make the following change on my list of approved correspondents:
- () Please send the following telegram:
- () Please make the following change on my visiting list:
- () Please grant me an interview regarding:

PLEASE HAVE MY SUIT PRESSED; SHIRT
AND UNDERWEAR AND SOCKS WASHED FOR COURT.

THANK YOU—

SIGNED: Frank Bristol 2884 QUARTERS C13 WORK —

NOTE: State briefly but EXACTLY all details of your request or form must be returned without action. Be sure to include full names, address and relationship of any persons involved. You may use the reverse side of this form if necessary.

FEDERAL DETENTION HEADQUARTERS
DEPARTMENT OF JUSTICE
NEW YORK CITY

INTERVIEW REQUEST

TO: Captain

DATE: May 23/56

- () Please make the following change on my list of approved correspondents
- () Please send the following telegram:
- () Please make the following change on my visiting list:
- (☒) Please grant me an interview regarding:

Additional clothes
change of shirt, underwear, socks
and shoes - going to court
everyday - need changes.
also suit & tie

SIGNED: Costello

No. 1884

QUARTERS C13

WORK NONE

NOTE: State briefly but EXACTLY all details of your request or form must be returned without action. Be sure to include full names, address and relationship of any persons involved. You may use the reverse side of this form if necessary.

F.D.H. # 31

OK To Exchange - B. DeMunnick

INTERVIEW REQUEST Federal Detention Headquarters - N.Y.C.

TO: Mr. Menton DATE: 8-10-56 ADD TO CORR. LIST

- () Please make the following change on my list of approved correspondents:
 () Please send the following telegram:
 (x) Please make the following change on my visiting list:
 () Please grant me an interview regarding: Sir:

Please add to my visiting list and also correspondent list the following. Mr. George Wood. address 112 Central Park South NYC.

SIGNED: Frank Costello NO. 2884 QUARTERS: C13 WORK No Duty

NOTE: State briefly but EXACTLY all details of your request or form must be returned without action. Be sure to include full names, address and relationship of any persons involved. You may use the reverse side of this form if necessary.

F.D.H. #31

Thanks you.

INTERVIEW REQUEST Federal Detention Headquarters - N.Y.C.

TO: Mr. Harrison DATE: 7/8/56

- () Please make the following change on my list of approved correspondents:
 () Please send the following telegram:
 (x) Please make the following change on my visiting list:
 () Please grant me an interview regarding: _____

Please add Mr. George Wood to my visiting list. Address 112 Central Park South. Benjamin Wise president of William Morris agency.

SIGNED: Frank Costello NO. 2884 QUARTERS: C13 WORK —

NOTE: State briefly but EXACTLY all details of your request or form must be returned without action. Be sure to include full names, address and relationship of any persons involved. You may use the reverse side of this form if necessary.

F.D.H. #31

As informed of dump by Walter Menton on 7-10-56 + permitted to call wife (B)

add to visiting list 7-11-56

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(4) Reference to Apalachin Meeting

An article appearing in the "Long Island Press" of May 1, 1958, in substance related that ARTHUR L. REUTER, outgoing

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State Investigations Commissioner, pointed out that the arrest records of the delegates at the Apalachin gang convention showed they had common interests in narcotics, illicit gambling and union rackets.

According to REUTER, "it must, therefore, be inferred that the purpose of the meeting was to discuss problems relating to these illicit activities." He also stated he would not rule out the possibility that, as some reports had it, the assassination of rackets czar ALBERT ANASTASIA and the attempted killing of FRANK COSTELLO were on the agenda.

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(5) Reference to Association of Subject with Mafia



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[REDACTED]

b7D [REDACTED]

[REDACTED]

In an article appearing in the "Long Island Daily Press," of April 27, 1958, by ANDREW J. VIGLIETTA, it is reflected, in substance that "Attorney General William P. Rogers is going after 'the big fish' of the underworld in his drive against racketeering throughout the nation."

"The men of the underworld are more afraid of Rogers than any one person in the United States because going after racketeers - big and small - is nothing new for Rogers."

"Rogers as the top law enforcement officer of the country is determined - as he told this reporter - to wipe out crime and corruption wherever it rears its ugly head.

"He's looking into the activities of Frank Costello of Sands Point and other members of the Mafia, whether they're operating on the East or West Coasts or out of Chicago.

"Rogers has had his men delve into the background of the mobsters who attended the Apalachian meeting in upstate New York...and it is possible that some action will follow shortly from Washington."

(6) Contact with Other Agencies

[REDACTED] a federal investigative agency, was contacted by

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SA [REDACTED] on March 4, 1958, He informed that the files of his agency do not contain any information to reflect that FRANK COSTELLO was or is currently involved in narcotics trafficking. Information was also received that the latest reference mentioning COSTELLO appearing in its files reflect that COSTELLO was, at one time, president of the 79 Wall Street Corporation.

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E. Legitimate Enterprises With
Which The Subject Has
Reportedly Been Connected

1. Night Clubs

Copacabana Night Club
10 East 60th Street
New York, New York

Piping Rock Club
Saratoga Springs
New York

It is noted that information concerning both the Copacabana and the Piping Rock Night Clubs has previously been reported in New York reports in instant matter, and additional information concerning these clubs is mentioned in subject's testimony appearing in instant report.

[REDACTED]

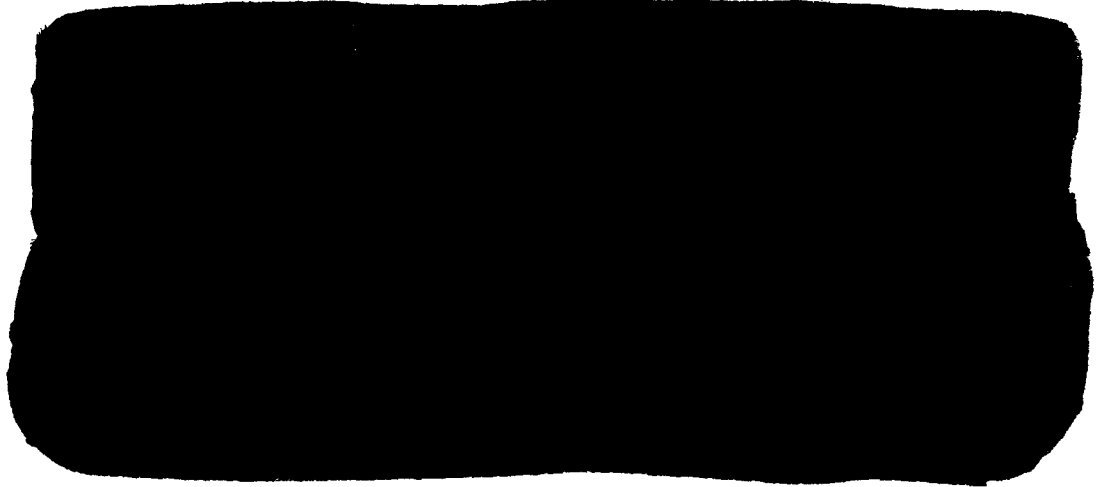
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The February 15, 1949 issue of the "New York World Telegram" contained an article stating that a long pending indictment against a man once linked with FRANK COSTELLO in the operation of Saratoga Springs swank Piping Rock Night Club, had been restored to the criminal trial calendar. According to this article, the indictment against SIDNEY L. ROBINSON, one time vice president and part owner of the Copacabana Night Club, 10 East 60th Street, has lain dormant for 4½ years. This article further indicated that in testimony in the Supreme Court, COSTELLO had admitted to owning 30 per cent interest in the Saratoga Spring spot.

An article appearing in the August 4, 1944 "New York Herald Tribune" concerning ROBINSON's bankruptcy petition, reiterated the information concerning FRANK COSTELLO, the "ex-convict and slot machine operator" having an interest in the Piping Rock Club. This article indicated that there were hints that ROBINSON was apparently a dummy owner for some underworld figure.



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The Beverly Club
Jefferson Parish
Louisiana

It is noted that information concerning the Beverly Club has previously been reported in New York reports in instant matter, and as appears elsewhere in instant report.

The New Orleans Office advised on March 21, 1958, that in connection with another investigation, it was ascertained that the Beverly Club in Jefferson Parish, Louisiana, is a large supper club and gambling casino, located in Jefferson Parish on Shrewsberry Road and the Mississippi River. This casino was closed after Sheriff FRANK J. CLANCY testified before the Kefauver Committee on February 9, 1951. This club has been personally observed by SA [REDACTED] and the gambling casino has continued to be closed since that date.

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PHILLIP KASTEL, who is currently under investigation by the New Orleans Office as a Top Hoodlum, advised SA [REDACTED] on February 25, 1958, that he now owns 80 per cent of the Beverly Club.

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2 . Real Estate

Hotel Biltmore
43rd Street and Madison Avenue
New York, New York

As previously reported in New York report in instant matter, WALTER WINCHELL, the newspaper columnist, reported in 1949 that FRANK COSTELLO was one of the bond holders of the Hotel Biltmore.

It is noted that information concerning the Hotel Biltmore and its ownership was set out in referenced New York report in instant matter.

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A check was made on April 18, 1958, at the Realty Records, Hall of Records, 31 Chambers Street, New York City, concerning the property located at 505 Park Avenue, New York City. It is noted that the records of deeds reflected that block 1394, lot number 1, is located at the address 505 Park Avenue. These records reflect that on June 23, 1954, FRANCIS D.L. ASTOR and others of the ASTOR family, were the grantor, and the Penn Mutual Life Insurance Company, 530 Walnut Street, Philadelphia, Pennsylvania, was the grantee of this property. These records also indicated that the Arabian-American Oil Company, located at 505 Park Avenue, has a lease on floors 2 to 22.

Vacation Village
Grand Bahama Island
Florida

It is noted a previously set out in a New York report in instant matter, that a New York newspaper reported on April 30, 1951, in an article that LIONEL MARKS, an associate of FRANK COSTELLO, offered to buy within a year the multi-million dollar Vacation Village on Grand Bahama Island, 60 miles east of Palm Beach, Florida, for a reported \$4,060,000, to be paid in cash. This article went on to state that the plans of MARKS and his associate called for an additional expenditure of seven million dollars on improvements; however, according to this article, both MARKS and his attorney, SYDNEY KRAUSE, 225 Broadway, New York City, have denied reports that the syndicate planned to erect on Grand Bahama Island a

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large gambling casino designated to attract United States gamblers.

Inquiry was made on April 16, 1958, at [REDACTED] in an effort to locate [REDACTED] Information was received, however, that [REDACTED] formerly located at this address, was no longer located here, but was possibly located [REDACTED] b7c

Tropicana Hotel
Las Vegas
Nevada

It is noted that information concerning the Tropicana Hotel has been set out in previous New York reports in instant matter, as well as in instant report concerning the hotel as well as information as to the reported interest of subject in this hotel.

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It is noted as previously reported, that according to an article appearing in the "New York World Telegram and Sun," of May 9, 1957, that on May 2, 1957, the night COSTELLO was shot, he went to the Monsignore with GENEROSO POPE, JR. Another COSTELLO "chum", FRANK MARIO BONFIGLIO, was in the Monsignore, according to this article.

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It is noted as set out in a previous New York report in instant matter, that an article appearing in the "New York World Telegram and Sun", May 9, 1957,

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related that on May 2, 1957, the night COSTELLO was shot, he went to the Monsignore Restaurant with GENEROSO POPE, Jr., publisher of the "New York Enquirer".

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22-2869-37 pages 226 through 235

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with concerning COSTELLO is what he has read in the daily newspapers. He also stated that the subject was never connected with the company, nor had the subject ever been to the company to his knowledge.

[REDACTED] also that he never had any association or connection with COSTELLO whatsoever, nor had he ever known [REDACTED] to have any association or connection with FRANK COSTELLO. In this regard, [REDACTED] he would be willing to furnish an affidavit to the effect that FRANK COSTELLO never had, nor has/now, any connection with [REDACTED] either directly or indirectly.

4. Miscellaneous Enterprises

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Los Angeles, California

A summary of information, as submitted in a report by the Los Angeles Office on April 11, 1958, reflected that [REDACTED]

[REDACTED] Los Angeles, California, advised he has no knowledge of the subject ever having had a financial interest in [REDACTED]

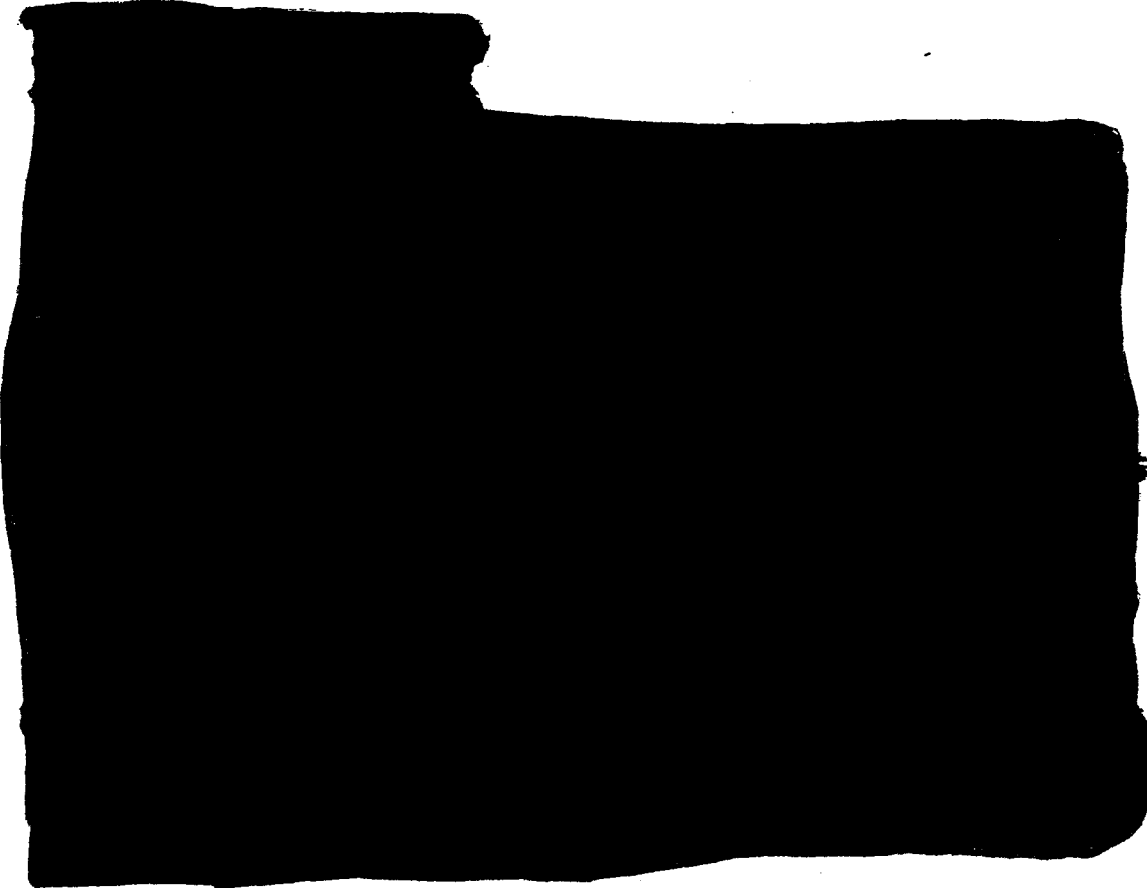
[REDACTED] furnished detailed information concerning the former financial interest of [REDACTED] but disclaimed any knowledge of [REDACTED]

[REDACTED] according to the Los Angeles

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Office, possess no information reflecting FRANK COSTELLO as having any financial interest or close associates in the Los Angeles area, and COSTELLO is not known to have financial interest at Palm Springs, California.



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92-2869-37 pgs. 238, 239 & 240

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As this company is no longer in business, it is not possible to determine the extent of COSTELLO's connection with [REDACTED] b7c

Louisiana Mint Company
New Orleans
Louisiana

It is noted that information relating to the subject's interest in the Louisiana Mint Company, has previously been reported in New York reports, and additional information is also set out in this report, as reflected in subject's testimony.

The New Orleans Office advised on March 18, 1958, that the Louisiana Mint Company formerly operated slot machines in the City of New Orleans. This company

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went out of business when, on Thanksgiving Day in 1947, all of its slot machines were seized by the New Orleans Police Department and subsequently destroyed.

b7c The New Orleans Office advised on March 28, 1958, with regard to an investigation of PHIL KASTEL, that the seizure and destruction of the Louisiana Mint Company machines was the end of slot machine operations of KASTEL in the City of New Orleans, and no information had been received to indicate that KASTEL is now involved in the operation of slot machines. The New Orleans Office also advised, it is noted, that KASTEL made no reference to his having an interest in Havana, Cuba, during the conversation with SA [REDACTED] on February 25, 1958.

[REDACTED]

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92-2869-37 pgs. 243, 244 & 245

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It is noted it was previously reported the subject possibly had oil interests in the State of Kansas. It is also noted that previous reports in instant matter have reflected investigation conducted by the Kansas City Office in this regard.

In addition, a summary of information submitted by the Kansas City Office on April 18, 1958, reflect that liens in the amount of \$540,273.34 had been placed against FRANK and LORETTA COSTELLO in Barton and Rice Counties, Kansas, on January 24, 1953, by the Internal Revenue Department. (No record was located for the subject at the following places according to the Kansas City Office:

Clerk's office, United States District Court, Kansas City, Kansas;

Clerk's office, Wyandotte County, Kansas City, Kansas;

Great Bend, Kansas,

Great Bend, Kansas;

Great Bend, Kansas, Clerk, Barton County, Kansas; Rice County

Kansas, Clerk, Rice County, Kansas; Registrar of Deeds, Wyandotte County, Kansas,

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67C Concerning liens placed against the subject by the Internal Revenue Service, the Dallas Office furnished information on May 7, 1958, that [REDACTED] Deputy United States District Clerk, Abilene, Texas, furnished to SA [REDACTED] Photostats of tax liens filed in her office by the Internal Revenue Service, the total amount being \$540,313.34. She advised that the records of her office contain no information indicating that the subject possibly owns, owned, or has an interest in property located in the district. 67C

On May 5, 1958, T-58 advised that he recalled that in about 1939 or 1940, COSTELLO was a co-defendant in an Internal Revenue case against ALEX KASTELL and he believed these charges, which were filed against COSTELLO, KASTELL and others, were filed in New Orleans, Louisiana. It was the recollection of the informant that after the trial, judgements were obtained against COSTELLO and KASTELL, and at that time, the Internal Revenue Service in Dallas, Texas, filed liens against property held by both. However, the informant was unable to locate any record of these tax liens, but expressed the opinion that this information might be available in the New Orleans Office of the Internal Revenue Service.

[REDACTED] 67C

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92-2869-37 page 248

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[REDACTED]

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The following is noted as appears in an article of "Collier's" of April 19, 1947, which states that "although various federal agencies, the New York police and the district attorney's office, have made numerous investigations of Costello's activities, they still have no very clear idea how he operates his many enterprises. Nor can they define with exactness his position in the underworld hierarchy. The business of carrying on crime today has been extraordinarily complicated by the use of frontmen, cash transactions, high-priced lawyers who know how to cut the legal corners, corporations and partnerships, and by concealed ownership of real estate and other assets. Cartels and corporations, with all their interlocking directorates and their legal and financial shenanigans, are miracles of simplicity by comparison. It is likely that only a full-scale Congressional investigation could trace the ramifications of America's underworld empire and its relations with politicians and elected officials, or arrive at a correct estimate of the enormous sums of money involved."

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"The basic factor of every underworld activity, now as during prohibition, is cold cash, and big shots like Costello, Erickson, Adonis, and Kastel operate on a strictly cash basis. If an important gambler or racketeer puts money into a night club or a gambling joint, or even in a legitimate business, it is in cash, so that it is very difficult to trace a connection. It will be recalled that the \$15,000 which Costello was taking to his lawyer to close a real-estate deal, or so he said, was in cash. All protection payoffs are made in cash, and the rentals of premises used for gambling and racketeering operations are likewise paid in currency."

"As an added precaution, the big-time gambler and racketeer nearly always carries and pays out his money in small bills - hundreds, fifties and twenties - while the banks are no longer required to record serial numbers, they often do so for their own protection, and a large bill is much easier to trace than a small one." for

"In addition to his store of ready cash, or working capital, the big racketeer these days will occasionally invest some of his surplus funds in real estate and then fail to have the deed recorded, so that he will not appear as owner of record. Or the deed may be made out to a front man, or to a relative, or the property may be held in the name of his wife. Mrs. Costello owns a twelve-room house and about two acres of land at Sands Point, an exclusive residential section on Long Island, which was purchased in 1944."

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"The underworld big shot has also learned to make use of corporations and partnerships, duly licensed by state and city. Some of these companies carry on legitimate businesses, while others are used as fronts for illegal operations. Costello has used a dozen corporations, through which he has handled his real estate, his slot machines, etc."

F. Places Of Amusement And Hang Outs
Frequented By The Subject



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[REDACTED] When the subject was observed by SA [REDACTED] on March 14, 1958, at the Federal Court House, Southern District of New York, it was noted that the subject has a small gold ring on his left small finger. The subject wore dark black horn-rimmed glasses during part of the time he was observed, however, at other instances, he had the glasses either in his hand or in his mouth, and was constantly fidgeting his glasses and his fingers.

INASMUCH AS THE SUBJECT WAS SENTENCED
ON APRIL 14, 1915, TO THE NEW YORK CITY
PENITENTIARY FOR ONE YEAR FOR POSSESSION
OF A REVOLVER, AND DUE TO HIS REPORTED
ASSOCIATION WITH TOP HOOGLUMS, THE
SUBJECT SHOULD BE CONSIDERED DANGEROUS.

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2. Bank Accounts

It is noted, as set out in a previous report in instant matter, that a lien had been served for tax payers FRANK and LORETTA COSTELLO at the Port Washington - Manhasset National Bank, 79 Main Street, Port Washington, Long Island, New York, in 1953. In this connection, it is also noted, as previously reported as relating to the United States Internal Revenue Service, it was believed that the subject and his wife may have had an account at the following banking institutions:

Central Savings Bank
73rd Street and Broadway
New York City

Chemical Corn Exchange Bank
72nd Street and Columbus Avenue
New York City

Industrial Bank of Commerce
56 East 42nd Street
New York City

Meadow Brook National Bank
79 Main Street
Port Washington, New York

New York Trust Company
7th Avenue and 39th Street
New York City

R. H. Macy Bank
Herald Square
New York City

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3. Liens Reported to Have Been
Placed Against Subject in 1953

It is noted, as previously reported in New York report in instant matter, that there was an indication that the Internal Revenue Service had placed liens against subject in 1953 at the following places:

Chanin Management, Incorporated
122 East 42nd Street
New York, New York

Hewett and Hamm
10 Irma Avenue
Port Washington, Long Island, New York

Mark Rafalsky Company
2112 Broadway
New York, New York

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92-2869-37 pgs. 274 through 277

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6. Results of Election Check

SE [REDACTED] caused a check to be made of the election records, Borough of Manhattan, on March 12, 1958, and no record was located for either FRANK or LORETTA B. COSTELLO, 115 Central Park West, New York City, as having registered to vote during the years 1948 to 1957.

7. Observation and Spot Checks
In an Effort To Observe Subject

It is noted that information concerning observation of subject on March 14, 1958, is set out in instant report.

Spot checks conducted in an effort to observe subject at the Waldorf Astoria Hotel from 10 a.m. until 12 Noon on April 4, 1958, and from 10:30 a.m. until 11:45 a.m. on March 21, 1958, failed to observe the subject.

Spot checks conducted on subject's residence, 115 Central Park West, on March 6, 12, 27, 1958, likewise failed to observe the subject.

A spot check was also conducted on April 11, 1958, between 12:15 p.m. and 1:15 p.m., likewise failed to observe the subject at the Biltmore Baths.

8. Anonymous Communications
Referring to Subject

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[REDACTED]

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A letter postmarked New York, New York, April 22, 1958, addressed to the New York Office from an anonymous sender states as follows:

"Dear Sir.

"A year or so ago A gangster Frank Costello, was shot. [REDACTED] and his wife [REDACTED] of [REDACTED] know who did it. At least thats what his wife will tell you. [REDACTED] came into a lot of money since the shooting and his wife has re-furnished the whole house. Don't you think that is hard to do [REDACTED] He works at [REDACTED] and is a good friend of [REDACTED]

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[redacted] and wife. He also makes money [redacted]
by [redacted]. His wife is no better, she keeps plenty
of men on the side_

67C "How about some justice_"

The New York Telephone Directory reflects that
[redacted] of [redacted] New
York, is the subscriber to telephone number [redacted]

It is noted that the New York Office is in possession
of no information relating to [redacted]
[redacted] New York.

67C SA [redacted] caused a search to be made of
the records of the [redacted] on May 12, 1958, for [redacted] b7D
[redacted] New York, and no record by name and address b7C
was located for either of them.

67C SA [redacted] caused a search to be made of
the records of [redacted] on April 30, 1958. b7D
A record was located for [redacted] b7C,
[redacted] D,

It is noted that according to an article appearing
in the "New York World Telegram and Sun" on May 9, 1957, that
on May 2, 1957, the night COSTELLO was shot, he went to the
Monsignore Restaurant and among the COSTELLO party at this
restaurant was AL MINIACI "the juke box magnate."
[redacted]

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b7c

NY 92-649

10. Purported Handwriting and Printing
of Subject as Well as His Handwritten Signature

In this regard it is noted that 13 various handwritten signatures of subject made by him during the years 1939, 1942, 1944, 1946 and 1957 were previously obtained as previously reported and these signatures are being maintained by the New York Office in instant file.

On April 7, 1958, the subject's file at the Federal House of Detention, 427 West Street, New York City, was reviewed for additional handwriting of subject.

The subject's file contains six "Interview Request, Federal Detention Headquarters, New York City" forms which are dated July 8, 1956; August 10, 1956; May 23, 1956; July 18, 1956; June 12, 1954, and another one, the date being incomplete. These forms reportedly bear the signature of subject and contain either handwriting or printing of subject. A photograph of each of these forms is being maintained by the New York Office in instant file.

J. Description

Name	FRANK COSTELLO
Aliases	Francisco Castaglia Frank Castello Francesco Castiglia (true name) Francesco Castiglio Francisco Cataglia Francesco Costaglia Murray H. Hoffman Frank Sampson Francesco Saverio Frank Saverio Frank Stello
Race	White
Date of Birth	February 18, 1891 Cassano Ionico, Cosenza, Italy

NY 92-649

Height	5'7½" - 5'8"
Weight	165 to 170 pounds
Hair	Dark chestnut, graying, receding forehead and along sides combs hair straight back
Eyes	Brown
Complexion	Dark
Scars and marks	Two moles right chin Scar right temple
Build	Heavy
Characteristics	Has large nose, neatly dressed, has been observed wearing black horn-rimmed glasses, possibly slightly hard of hearing, suffers from chronic laryngitis, disability to right big toe, right foot, may wear special shoes, wears a hat, raspy voice
Address	115 Central Park West, New York City, apartment 18F Subject has summer residence at 5 Barkers Point Road, Sands Point, Long Island, New York, a twelve room, red brick house with white clapboard wings.
Former addresses	24 West 117th Street, New York City, September 23, 1944 222 East 108th Street, New York City, March 12, 1915 234 East 108th Street, New York City, March 26, 1923 405 Lexington Avenue, New York City, 1925 Graystone Hotel, New York City, January, 1927 585 West End Avenue, New York City, 1927 to 1930 65 Central Park West, New York City, 1930 to 1937 241 Central Park West, New York City, 1931 to 1937

NY 92-649

Telephone number TR 4-2325
Port Washington 7-5494
Occupation Subject has no known place of
regular employment. Subject has
stated he was a retired real
estate man and on other times,
has states he was "retired."
Social Security # Not known
Religion Catholic
Principal attorney GEORGE WOLF, 509 Madison Avenue,
New York City
[REDACTED] b7D
FBI # 936217
Relatives LUIGI CASTIGLIA, father, died in
1922
MARIA ALOISE CASTIGLIA, mother,
died in 1940
LORETTA B. COSTELLO, wife, same
address as subject
EDWARD COSTELLO, brother, age
approximately 72, 21-40 21st Street,
Astoria, New York
MAY COSTELLO MARCELINA (GILBIRDIE)
sister, age approximately 64,
address not known, New Orleans,
Louisiana
SADIE COSTELLO, sister, died in
1936
CONCETTA COSTELLO, sister, died in
1944

NY 92-649

Relatives cont'd

b7c

A photograph of subject, front and side view, taken on May 14, 1956, at the Federal House of Detention, New York City, number H 2884, obtained from the Federal House of Detention, 427 West Street, on January 28, 1958, is being maintained by the New York Office in instant file.

It is noted that this photograph of subject, as compared to a recent personal observation of subject, is a good likeness of subject.

The above description of subject was obtained from a recent personal observation of subject and as a result of investigation conducted.

- P -

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET8

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FEDERAL BUREAU OF INVESTIGATION
FREEDOM OF INFORMATION/PRIVACY ACTS SECTION

SUBJECT: FRANK COSTELLO
FILE NUMBER: 92-2869 SECTION 6

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET3

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F B I

Date: 6/23/58

AIRTEL

Transmit the following message via _____

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (92-2869)
FROM: SAC, NEW YORK (92-649)
SUBJECT: FRANK COSTELLO, was,
AR

For the information of the Bureau, 


INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/15, TO
WORKHOUSE, NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER
AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT
SHOULD BE CONSIDERED DANGEROUS.

POWERS

3-Bureau (92-2869)
1-New York (92-649)

(5)

REC- 11

11 JUN 25 1958

Approved: 

Special Agent in Charge

Sent _____ M Per _____

67 JUN 30 1958

FEDERAL BUREAU OF INVESTIGATION

Reporting Office NEW YORK	Office of Origin NEW YORK	Date 6/25/58	Investigative Period 6/9-13, 16/58
TITLE OF CASE FRANK COSTELLO, was: Francisco Castaglia, Frank Castello, Francesco Castiglia, Francesco Castiglio, Francisco Cataglia, Francesco Costaglia, Murray H. Hoffman, Frank Sampson, Francesco Saverio, Frank Saverio, Frank Stello		Report made by [REDACTED] b7c	Typed [REDACTED]
		CHARACTER OF CASE ANTI-RACKETEERING	

SUMMARY REPORT

Subject, as FRANCESCO CASTIGLIA, born on 2/18/91, at Cassano Ionico, Cosenza, Italy. No education record located for subject in Public Schools 82 or 108, NYC. Subject naturalized as U.S. citizen on 9/10/25, SDNY. Subject and LORETTA GEIGERMAN were married in NYC on 9/23/14. Subject continues to reside with his wife, LORETTA, in Apartment 18F, Majestic Apartments, 115 Central Park West, NYC. Subject has no known regular place of employment. Subject has FBI #936217, and [REDACTED] Former associates included individuals widely publicized as hoodlums and/or racketeers. Current associates are generally subject's attorneys and [REDACTED] Subject sentenced to 18 months and fined \$5000, SDNY, 4/8/52, for contempt of U.S. Senate Crime Committee. Surrendered to USM, SDNY, 8/15/52, and released from Federal Correctional Institution, Milan, Michigan, 10/29/53. Denaturalization proceedings instituted SDNY, during October, 1952, against subject, however, U.S. Supreme Court dismissed Government's case, 4/8/58, as Government had failed to

Approved [REDACTED] b7c	Special Agent in Charge	Do not write in spaces below	
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Synopsis (cont'd):

file on time, an affidavit "of good cause." USA, SDNY, has indicated denaturalization proceedings to be reinstituted. Subject sentenced to five years and fined \$30,000, SDNY, 5/17/54, for evasion of income taxes. Subject last incarcerated Federal House of Detention, NYC, from 5/14/56 until 3/11/57, when released pursuant to order of U.S. Supreme Court. U.S. Court of Appeals, SDNY, on 5/20/58, unanimously affirmed lower courts' decision which denied subject's motion for new trial. Testimony of subject before U.S. Senate Special Committee to Investigate Organized Crime in Interstate Commerce summarized. Attempt on subject's life made on 5/2/57, reported assailant, acquitted 5/27/58.

67D [REDACTED] Subject frequents the better supper clubs, NYC, where he generally dines and drinks almost daily, with one or more of his attorneys, or with

67C [REDACTED] Information as to former enterprises, places frequented, habits, and miscellaneous information concerning subject, as well as description, set out. Subject travels almost exclusively by taxicab. INASMUCH AS SUBJECT WAS SENTENCED ON APRIL 15, 1915, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

- P -

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67D

DETAILS:

At New York, New York

A. Personal History and Background

1. Birth

b2, b7D [REDACTED]

2. Education

Investigation conducted by SA [REDACTED] on December 16, 1957, at the United States Penitentiary, Lewisburg, Pennsylvania, reflected an Admission Summary prepared on September 18, 1952, while subject was incarcerated in this institution. According to this summary, subject furnished information that he immigrated to the United States with his parents at the age of two and subsequently became a naturalized citizen. The family first settled in Astoria, Long Island, and later moved to the Harlem section of New York City, where he attended grade school. The schools that he attended were indicated as being Public Schools 82 and 108 in New York City. Subject admitted his school attendance was irregular and his progress slow, because of the poor financial circumstances of his family. He discontinued school at the age of fourteen, at which time he was in the third or fourth grade. b7C

b7C On March 7, 1958, [REDACTED] Public School 82, New York City, located at 1st Avenue and 70th Street, advised that the general indices as checked for the subject's name, as well as his aliases, including the last name CASTIGLIA, failed to reflect any record for subject. b7C

b7C [REDACTED] made available to SA [REDACTED] on this date, books reflecting dates entered and dates discharged of students from this school. These books for the years 1886 through 1913, were checked and no record was located identifiable with the subject under his true name b7C

or aliases. It was observed that these records have been torn, some are missing, many are badly mutilated, and some are stuck together.

b7C [REDACTED]
Public School 108, 1615 Madison Avenue, New York City, advised on March 24, 1958, that Public School 108 has been in existence for only five years. She stated that this is the only Public School 108 in Manhattan and there was not previously a Public School 108.

Subject's file maintained by the United States Probation and Parole Officer, Southern District of New York, as reviewed on January 21, 1958, contained a copy of the Admission Summary as referred to above.

As a result of an examination conducted concerning subject's education, the following is noted in the Admission Summary:

"Average 4.5
Paragraph meaning 4.9
Word meaning 6.6
Language usage 3.0
Arithmetic reading 4.4
Arithmetic composition 3.9
Spelling 4.8"

The test results show some retardation, but subject probably has normal learning ability. As a result of a committee summary evaluation of subject, "Subject is of average intelligence and is rather retarded educationally, testing at the fourth grade level.

3. Citizenship

b7C [REDACTED]
The records of the Naturalization Division, United States District Court, Southern District of New York, which were reviewed on January 24, 1958, by SA [REDACTED] reflected that FRANK COSTELLO filed petition for naturalization, number 61756, in this court, on May 1, 1925, and was naturalized on September 10, 1925.

Certificate of naturalization, number 2136470, was issued. His last place of foreign residence was reflected as Cosenza, Italy, and he arrived in the United States for permanent residence at New York, New York, on April 2, 1895, via an unknown vessel. His birth was indicated as January 26, 1891, at Cozenza, Italy. His spouse, LORETTA, is indicated as having been born on May 2, 1899, in New York, New York. No children are known to have been born to this union. His residence in the United States as of 1923, is listed as 234 East 108th Street, New York, New York, and his residence as of 1925, is listed as 2450 Broadway, New York City. His occupation as of 1923, is listed as that of a broker. His occupation during 1925, is listed as being that of "real estate."

Persons who furnished affidavits concerning subject's good character at the time of petition were FRANK A. GROSS, occupation, real estate, 8725 Askroyd Avenue, Jamaica, Long Island, New York, and HARRY C. SAUSSER, occupation listed as real estate, Huntington, Long Island, New York. The above persons stated they had known the subject since January 1, 1920.

4. Marital Status

The Admission Summary, referred to above, reflected that subject was married on September 23, 1914, at New York City, to LORETTA GEIGERMAN, who was 55 years of age in 1952, native born, grammar school education, and who was reared in New York City. She was introduced to subject by her older brother and the marriage occurred after a courtship of one year. She informed that their relationship had been congenial and that subject was a fine companion and a good husband. No children were born to this marriage.

SE [REDACTED] caused a search to be made of the records of the Bureau of Vital Statistics, Marriage License Bureau, Manhattan, New York City, on December 6, 1957. Marriage certificate number 25202, reflected that FRANK COSTELLO, age 23, born in New York City, of 24 West 117th Street, a plumber by occupation, secured a license on September 22, 1914. His father was

listed as LUIGI, last name not indicated, who was born in Italy. His mother was indicated as NIONE SAVERIO, born in Italy. Subject and LORETTA GEIGERMAN were married in St. Nicholas Church on September 23, 1914, by Clergyman THOMAS MC CARDLESS of 712 West End Avenue, New York City. Witnesses to this marriage were PAULINE WALDEN and CASSOTTO SAVERIO CASSOTTO.

LORETTA GEIGERMAN was described as nineteen years of age, born in New York City, of 1968 Seventh Avenue. Her father was listed as JACK, last name not indicated, born in the United States, and her mother was listed as CECILIA JOSEPHS, born in the United States.

5. Relatives

The subject's file at the United States Probation and Parole Office, Southern District of New York, as reviewed on January 21, 1958, contained an Admission Summary, previously mentioned.

This summary reflected that both parents of the subject were natives of Italy who immigrated to the United States. The father preceded the family to the United States, and was joined by the mother, a sister and the subject, when the subject was about two years of age. The family settled first in Astoria, Long Island, New York, and later moved to the Harlem Section of New York City, where the parents operated a small grocery store. Subject's brother reports, "Our parents were very poor and we struggled for existence." All of the children started to work when they were very young.

This summary reflected the subject as the youngest of five children born to his parents' union. Surviving in addition to the subject, are an older brother, EDWARD, and an older sister, MAY. EDWARD resides in Astoria, New York. The subject has claimed that his sister is married to a man by the name of GILBIRDIE and is residing in New Orleans, Louisiana. However, other sources indicate that the sister's married name is MARCELINA.

NY 92-649

LORETTA B. COSTELLO
115 Central Park West
New York, New York

b2
b7D

[REDACTED]

b7C
b7D

[REDACTED]

EDWARD COSTELLO
21-40 21st Street
Astoria, Long Island, New York

The records of the United States Attorney's Office, Southern District of New York, reflect that subject and others, were indicted by a Federal Grand Jury on November 18, 1926, on a charge of conspiracy to violate the Prohibition Amendment. They were, however, found not guilty on January 20, 1927. Among those indicted, was EDWARD COSTELLO, brother of subject.

[REDACTED]

b7D, < -6-

b2;
b7C,
D,

EDWARD COSTELLO was described by these records in 1942, as being 58 years of age, height 5' 7", weight 180 pounds, build stout, hair brownish gray, eyes brown, color white, his complexion was dark, address listed as 26-11 Third Street, Astoria, New York. He was born in Calabria, Italy, and his occupation was listed as "retired".

[REDACTED]

It is noted that additional relatives of subject are set out in instant report under "Description".

6. Residence

In the Admission Summary, referred to above, the subject advised that for the past thirteen years, he and his wife have maintained an apartment at 115 Central Park West, New York City, and a monthly rental of \$343.00, was paid for this apartment. According to subject, as set out in this summary, they also maintain a home at Sands Point, Long Island, New York, which they use for only occasional weekends.

b2;
b7C,
D,

[REDACTED]

[REDACTED]

b2, b7c, D

SA [REDACTED] examined the Realty Records of the County Clerk's Office, Mineola, Long Island, New York, on February 5, 1958. The records reflected that LORETTA B. COSTELLO is the owner of property located at 5 Barkers Point Road, Sands Point, New York.

An article in the "New York Journal American" of May 15, 1957, stated that subject has a luxurious home in Sands Point, a north shore community, and that many of his neighbors are wealthy, so-called "prominent citizens."

7. Employment

The Admission Summary, previously mentioned, reflected that after leaving school at the age of fourteen, subject advised that he was employed for a number of years, as a messenger boy in the family grocery store and later, he worked at unskilled factory work in the New York City area, for a short period of time. The subject also claimed that he entered the real estate business in 1922, and since then, he has been self employed as an independent operator in real estate. He also claimed that he retired from active interest in the real estate business, several years ago.

It is noted that in other portions of this report, there are admissions and indications as to former employments or occupations of the subject.

[REDACTED]

b2;
b7c,
D

[REDACTED]

B. Criminal Record

[REDACTED]

b7C SA [REDACTED] caused a search to be made of [REDACTED] on December 7, 1957.

b7D

[REDACTED] arrest of FRANK COSTELLO on May 31, 1935, for conspiracy, he was actually arrested by United States Marshal [REDACTED] and the conspiracy charge was dismissed in the United States District Court, Southern District of New York, on June 3, 1937.

b7D

b7

The following appears in the files as a record, however, they are not based on fingerprints:

[REDACTED]

[REDACTED]

[REDACTED]

b7D

2. FBI Identification Record

The following is the Identification Record for FRANK COSTELLO under FBI Number 936217 as appears in the records of the Identification Division of the Bureau, furnished under date of December 10, 1957:

Contributor of Fingerprints	Name and Number	Arrested or Received	Charge	Disposition
Police Department, NY, NY	FRANK COSTELLO	May 31, 1935	Conspiracy	June 3, 1937 dismissed

As FRANK COSTELLO Manhattan May 31, 1935 conspiracy (Federal case) Deputy United States Marshal (per information received from New York New York).

Federal Detention Headquarters, New York, New York	FRANK COSTELLO #28331	October 9, 1939	conspired to evade payment of taxes	October 10, 1939 bail
United States Marshal, New York, New York	FRANK COSTELLO #C-23-463	October 9, 1939	evading payment of taxes and Section 1014 USKS to Southern District of Louisiana	released on bail October 10, 1939, complaint dismissed November 8, 1939
United States Marshal, New York, New York	FRANK COSTELLO #C-1760-51	July 25, 1951	contempt	pending

NY 92-649

<u>Contributor of Fingerprints</u>	<u>Name and Number</u>	<u>Arrested or Received</u>	<u>Charge</u>	<u>Disposition</u>
Federal Detention Headquarters, New York, New York	FRANK COSTELLO #64136	August 15, 1952	refusing to answer Senate Committee	1 year 6 mon. August 22, 1952, US Penitentiary Lewisburg
United States Penitentiary Lewisburg Pennsylvania	FRANK COSTELLO #20125	August 22, 1952	refusing to answer certain questions before Senate Sub-Committee investigating crime	1 yr. 6 mos. October 9, 1952, transferred to Atlanta
United States Penitentiary Atlanta Georgia	FRANK COSTELLO #72866	October 10, 1952, in transfer from US Penitentiary Northeast	Investigation crime Contempt before Senate Sub-committee	18 months
Federal Correctional Institution Milan, Michigan	FRANK COSTELLO #16433	December 26, 1952, transferred from Atlanta	contempt Senate Sub-Committee	18 mos. October 29, 1953, released on minimum expiration of confinement (Before Senate Sub-Committee Investigation Crime) see :
Dauphin County Prison Harrisburg Pennsylvania	FRANK COSTELLO #DC. PD-5585	April 21, 1953	In transit	
Federal Detention Headquarters NY NY	FRANK COSTELLO #H-2884	May 17, 1954	Evasion of income taxes	5 yrs. fine \$30,000 Com

NY 92-649

<u>Contributor of Fingerprints</u>	<u>Name and Number</u>	<u>Arrested or Received</u>	<u>Charge</u>	<u>Disposition</u>
Federal Detention Headquarters NYC NY	FRANK COSTELLO #H-2884	May 14, 1956	Evasion Income Taxes	5 years
Workhouse Rikers Island, NY	Frank Costello #452483	May 8, 1957	Contempt Court	30 days

FRANK COSTELLO, New York, New York,
May 6, 1908, assault and robbery;
May 8, 1908, discharged.

FRANK SAVERIO, New York, New York,
March 12, 1915, revolver; April 5,
1915, Penitentiary.

FRANK COSTELLO #-- United States Marshal,
New York, New York, April 8, 1952,
contempt of Congress; April 8, 1952,
fined \$1,000 each on counts 1, 3, 4,
5, and 8; sentenced 6 months on counts
5, 6, 7, to run concurrently; 1 year
on counts 8, 9, and 10, also 11, to
run concurrently, and to be served
after actual completion of the 6
months on counts 5, 6, and 7; 30
days each on counts 1, 3, and 4, to
be served concurrently with counts
5, 6, and 7; fined \$100 on counts
6, 7, 9, 10, and 11, but remitted.

#16433, 10/29/53, rel. on Min. Exp.

Federal Bureau of
Investigation
NY, NY

FRANK COSTELLO May 31, conspiracy
#-- 1935

Deputy US
Marshal

6/3/37,
Dismissed

NY 92-649

The Bureau also furnished a copy of the fingerprints of subject taken on October 9, 1939, reflecting his fingerprints classification as 18 0 5 U OIO 11
I 19 W 000

C. Acquaintances and Associates of Subject

1. Reported Former Acquaintances or Associates of Subject

62,
67D

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Concerning ANTHONY CARFANO, he has FBI number 652 552, and was born on November 19, 1895, at New York, New York. (CARFANO resides at 77 Clayton Avenue, Long Beach, New York. He has no known regular employment but is a partner of record in Ace Lathing Company, Mount Vernon, New York. He has been arrested at least eleven times in New York City and Miami, Florida, for various offenses, including four arrests for concealed weapons and gun, and one arrest in 1933 for murder. He was convicted in 1933 in Miami for concealed weapons.

TH
Concerning FRANK ERICKSON, who has FBI number 1762258, he was born on November 22, 1893, at New York City. He resides with his wife, AMELIA, at 610 West End Avenue, Apartment 11B, New York City. He has been convicted of bookmaking and income tax evasion.

B. approx 1888
Concerning PHILLIP FRANK KASTEL, he resides alone in Room 562, at the Roosevelt Hotel, New Orleans, Louisiana. He manages the affairs of the closed gambling casino, Beverly Club, located in Jefferson Parish, Louisiana. He is currently attempting to obtain a gambling license at Las Vegas, Nevada, to manage the Tropicana Hotel. He has advised he was not permitted to obtain license in Las Vegas because of former association with FRANK COSTELLO. He claims his only association with COSTELLO is COSTELLO's interest in the Beverly Club. KASTEL has been publicly described by FRANK COSTELLO as his partner and New Orleans associate. KASTEL is described as being seventy years of age, having been born in New York City, and he has FBI Number 188908. KASTEL's wife resides in Las Vegas. He lives a quiet life at the hotel, is blind in one eye, and suffers from a cataract in his left eye, which will necessitate operation in the near future.

TH
Concerning THOMAS LUCHESE, who has FBI number 168275, and who was born on December 9, 1899, at Palermo, Italy, he was naturalized on January 25, 1943, at Newark, New Jersey. He resides at 74 Royat Street, Lido Beach, Long Island, New York. As of 1956, he had financial interest in Harvic Sportswear Company, Inc., Scranton, Pennsylvania; Kaska Sportswear, Inc., Kaska, Pennsylvania, and State

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Fabrics Company, Bronx, New York. Allegedly a powerful figure in garment industry racketeering.

Mike Miranda
Concerning MICHELE A. MIRANDA, FBI Number 91524, he was born on July 26, 1896, at San Guiseppe, Naples, Italy, and entered the United States on March 29, 1912. MIRANDA filed Declaration of Intention for citizenship number 290262, on April 26, 1929, and on May 16, 1932, was naturalized in the Southern District of New York, under Certificate number 3551955. MIRANDA presently resides with wife, LUCY DI LAURENZIO, and son, ANTHONY M. MIRANDA, at 167 Greenway North, Forest Hills, New York. MIRANDA reported to be owner and/or salesman for Huntoon and Raffo, Inc., a used car agency at 238 West 55th Street, New York City. MIRANDA formerly affiliated with Il Progressive Restaurant, 254 West 55th Street, New York City, and De Palma and Piomontesse Clothiers, 55 West Third Street, New York City. MIRANDA indicted August 7, 1944, with VITO GENOVESE and others by Kings County Grand Jury, New York City, for murder, but indictment dismissed on February 13, 1947, when material witness reportedly killed.

B. ap. 1219
Concerning JOSEPH SCHOENBAUM, the "New York World Telegram and Sun" of March 15, 1951, described SCHOENBAUM as about 62, of 110 East 87th Street, Apartment 7, a Bureau of Internal Revenue employee with 25 years of service, who resigned "under a cloud," after questioning by his superiors concerning his association with FRANK COSTELLO. SCHOENBAUM was named in this article as a golfing associate at the Pomonok Club, Long Island, New York, of FRANK COSTELLO in the so-called "fabulous foursome," consisting of FRANK COSTELLO, FRANK ERICKSON, GEORGE MORTON LEVY and JOSEPH SCHOENBAUM. LEVY was described in this article as President of the Roosevelt Raceway, Westbury, Long Island, New York, who permitted SCHOENBAUM to buy 100 shares of common stock in the Westbury track for \$2 per share. This article stated that as of March, 1951, the original 100 shares invested was reportedly worth \$50,000 on the open market.

Irving Sherman
Concerning IRVING FRANK SHERMAN, he has FBI number 706197, has claimed birth in New York City, for past 37 years, and is presently subject of Immigration and

Birth dates + marriage dates
5-6-1876, 1897, 1898
6-6-1897
11-2-1898
- 15 -
NY City
11-11-1912

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Naturalization Service deportation case, on charges that he was born in Hungary and is illegally in the United States. Birth data listed variously by SHERMAN as May 6, 1896, 1897, 1898; June 6, 1897; November 2, 1898, in New York City, and/or Hungary. SHERMAN resides 299 West 12th Street, Apartment 5D, New York City. SHERMAN admits partnership in R.S. & R. Shirt Company, Corinth, Mississippi, formerly partner in Courtshire Clothes, New York City. SHERMAN reportedly described as gambler and labor racketeer in the garment area of New York City.

b7c
b2

[REDACTED]

[REDACTED]

[REDACTED]

In March, 1951, subject testified before the United States Senate Special Committee to Investigate Organized Crime in Interstate Commerce in New York City, that he had known [REDACTED] as a friend for quite some time; however, [REDACTED] had not been associated with him in any gambling enterprise. He did not know [REDACTED] to be in the gambling business, outside of "making a bet," and he had not inquired as to his occupation while playing golf together.

La FBI # 2117879
Concerning SEYMOUR WEISS, he is President of the New Orleans Roosevelt Corporation and is the manager of the

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Roosevelt Hotel in New Orleans, Louisiana. He has FBI Number 2117879.

Concerning ABNER "LONGIE" ZWILLMAN, he was born on July 27, 1905, at Newark, New Jersey. He presently resides at 50 Beverly Road, West Orange, New Jersey, with his wife and family. Public Service Tobacco Company, Hillside, New Jersey; Federal Automatic Company, Hillside, New Jersey, and Greater Newark GMC Truck Sales Company, are legitimate business concerns in which ZWILLMAN is presently active. He admitted in 1938 interview and in 1951 testimony, his acquaintanceship with well-known members of the racket element, both local and national. A trial of ZWILLMAN on income tax evasion, resulted in a hung jury on March 1, 1956.

In March, 1951, subject testified before the United States Special Committee to Investigate Organized Crime in Interstate Commerce, in New York City, that he had known ABNER ZWILLMAN as an old friend, for twelve or so years. He had no business whatsoever, with him and was not in business with him during prohibition days.

It is noted that ALO, CARFANO, ERICKSON, KASTEL, LUCHESE, MIRANDA, SHERMAN, and ZWILLMAN, as mentioned above, have been widely publicized as hoodlums and/or racketeers.

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deletions were made pursuant to the exemptions indicated below with no segregable material available for release to you.

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A "New York Daily News" article of May 8, 1956, noted that subject was suffering from cancer, namely "melanoma of the left temple as well as from a duodenal ulcer," and according to an affidavit of Dr. GERALD F. O'BRIEN, 58 East 66th Street, New York City, "melanoma is notoriously one of the most malignant and fatal forms of cancer."

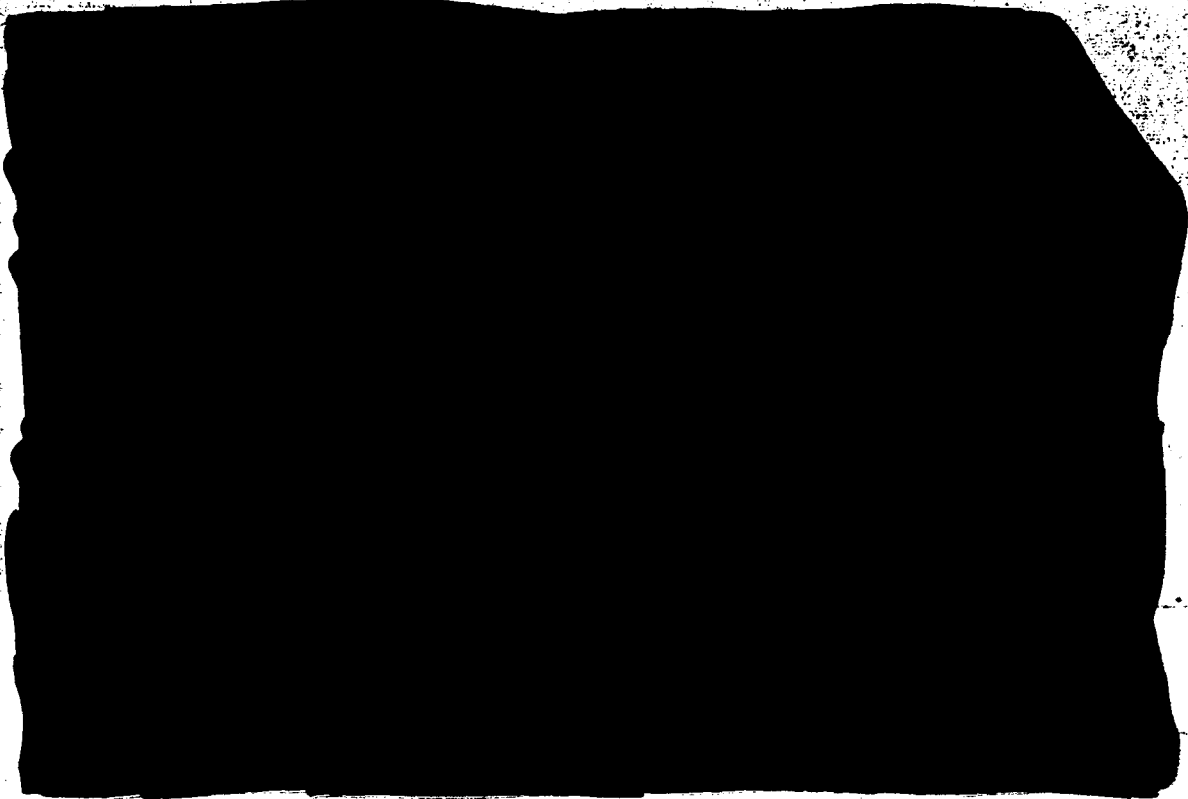
b2;
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[REDACTED]

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It is noted that Attorney EDWARD BENNETT WILLIAMS has represented the subject during court proceedings, which were in relation to his conviction of evasion of income taxes.

It is noted that GEORGE WOLF, who has offices at 509 Madison Avenue, New York City, and who, according to the New York City Telephone Directory, resides at 1120 Park Avenue, has been subject's principal attorney, during the past several years.

D. Criminal Activities

1. Early Legal Actions Involving Subject

On December 16, 1957, SA [REDACTED] b7C checked the records of docket number C-45-985 in the Court Clerk's office of the United States District Court, Southern District of New York.

The records reflected that on November 18, 1926, in the United States District Court, Southern District of New York, an indictment was filed charging FRANK COSTELLO and 32 others with conspiring to purchase, import, transport, possess, sell, barter, furnish and deliver intoxicating liquor in violation of Section 88, Title 18, United States Code.

On January 3, 1927, the trial of FRANK COSTELLO and seventeen others began in the United States District Court, Southern District of New York. On January 20, 1927, the jury disagreed as to a verdict in regards to FRANK COSTELLO and five others.

On December 1, 1933, the indictment against FRANK COSTELLO was ordered dismissed by Honorable JOHN M. WOOLSEY, United States District Judge, upon a motion of Assistant United States Attorney DAVID MARCUS.

b7c

SA [REDACTED] reviewed docket number C97-305 and docket number C97-73, in the United States District Court Clerk's Office on December 10, 1957. The records reflect that subject and others were charged with a violation of Title 18, United States Code, Sections 88, 415, and 550, in an indictment filed on October 8, 1935. The offense was the unlawful transportation from Dade County, Florida, to New York City, jewelry valued at \$185,000, knowing same to have been stolen and conspiracy to do the same.

On October 15, 1935, subject entered a plea of not guilty. The case was called to trial on November 12, 1935. On January 13, 1936, the case was again called to trial, however, it was marked off the calendar. On June 3, 1937, a nolle prosequi was entered and the indictment was dismissed in the United States District Court, Southern District of New York. Because of the evidence in the Government's possession, it was felt a prima facie case could not be made against the defendants.

Concerning the above arrest, subject was taken into custody by agents of the New York Office on May 31, 1935, and in part, subject stated he was a betting commissioner, he had no other business, he was not

connected with the liquor business and never had been. He advised he was married and resided at 241 Central Park West, New York City. He had no office and his home was his office. He had no connection with the Alliance Distributing Company, 153-157 Fifth Avenue, New York City, which he understood was a liquor distributing company, but he would sometimes go there. He and his wife had no bank account and had not had one in twelve or fifteen years. He advised he owned no stocks or bonds, has no brokerage accounts, and his wife had no independent income.

The subject stated he had known AL HOWARD for about four years, who owned and operated the Piping Rack, a nightclub at Saratoga, New York. This was a gambling establishment and he had a twenty per cent interest in the profits. He put up no money outside of loaning HOWARD about \$5,000 about two years prior. He was also associated with HOWARD in running the Brook Club, a gambling casino at Saratoga, last year. He was not interested in any of HOWARD's enterprises in Miami, Florida. He loaned HOWARD a little money, a thousand or so, last winter, but had no interest in the Embassy Club in Miami, Florida.

On December 16, 1957, SA [REDACTED] reviewed the records of docket C101-393 in the Court Clerk's Office, United States District Court, Southern District of New York. These records reflect that on January 14, 1938, an indictment was filed in the United States District Court, Southern District of New York, charging FRANK COSTELLO and 65 others with violation of Section 1155 (e and f), 1162, 1163, 1184, and 1185, Title 18, United States Code. The indictment charged that during the period from November 1, 1934, up to and including the date of the filing of the indictment, the defendants set up and operated nine illicit distilleries at certain specified times and places. b7c

On May 10, 1938, FRANK COSTELLO entered a plea of not guilty and a bond of \$3000 was set. He was then released on bail. On May 29, 1942, a nolle prosequi was entered with respect to FRANK COSTELLO and the above indictment was dismissed, because of insufficient evidence to bring about a successful prosecution.

b7c The New Orleans Office advised on December 26, 1957, that a review of the records of the United States District Court, Eastern District of Louisiana, was made by SA [REDACTED]. The records reflect that COSTELLO was tried in May, 1939, in criminal case number 19751, and charged with conspiracy to violate the Federal Income Tax laws. PHILIP KASTEL was the principal individual indicted in this matter. COSTELLO, DUDLEY GEIGERMAN, HAROLD GEIGERMAN, and others, were charged in a conspiracy with KASTEL in destroying records of the Bayou Novelty Company, preparing and filing fraudulent income tax returns for the Bayou Novelty Company, and for the above mentioned members of the Bayou Novelty Company.

All defendants were found not guilty in a jury trial.

It is noted that two Civil Judgments are on record at New Orleans against the subject. They are Civil Docket numbers 335 and 356. A default judgment was obtained against COSTELLO for delinquency in his income tax for the years 1927, 1928, 1930, 1937, 1939, and 1940. Judgment was entered on June 24, 1942, with interest and penalties. The records of the United States Attorney's Office, New Orleans, Louisiana, reflect that all judgments obtained against the subject have been satisfied and the court costs have been paid. The subject paid a total of \$24,286.90, which constituted the total judgment plus interest as of February 20, 1947.

The records of the County Clerk's Office, New York Supreme Court, New York City, file number 34081/1946, was reviewed on January 23, 1958. This was an action by FRANK COSTELLO against ARTHUR W. WALLANDER, Police Department, City of New York, in the matter of a claim of FRANK COSTELLO for \$27,200.

At a hearing on June 17, 1944, subject testified that on June 14, 1944, he had in his pocket, a package which contained two envelopes which contained money and after he had alighted from a taxi at the Sherry Netherland Hotel, 59th Street and Fifth Avenue, he noticed the money

was missing. He advised that \$15,450 of this money was in one envelope marked "F.C." in \$100 bills, with one \$50 bill among the \$100 bills. The other envelope contained \$11,750 in \$100 bills and a single \$50 bill was in this amount. This money was for a real estate transaction, however, subject stated he did not want to state from whom he received this money.

ARTHUR W. WALLANDER, then Police Commissioner of New York City, in a deposition dated November 14, 1946, charged that such moneys were the proceeds of subject's illegal activities

EMIL JAHELKA, Deputy Inspector, New York City Police Department, furnished a deposition dated November 21, 1944. He stated that of all of the suspicious facts with respect to the notations on the envelopes and the bills therein contained, from subject's criminal record, and from the information of the Police Department with respect to subject's reputation and activities, and from his knowledge and experience as a Police Officer, he was of the opinion and belief that the above mentioned two envelopes were used in or connected with bookmaking and that the moneys therein contained, were the proceeds of or were used in carrying on bookmaking.

The Appellate Division of the Supreme Court on December 13, 1946, ordered that subject answer orally to any facts on December 21, 1946, as to justness of his claim.

The records of the County Clerk of New York Supreme Court, file 13246/1944, as reviewed on January 24, 1958, reflected that this action in replevin was commenced by subject on June 19, 1944, against the Property Clerk of New York City Police Department to recover property consisting of currency amounting to \$27,200. The facts upon which this action was based are in substance the same as the facts in the action reported above.

This case was tried in the Supreme Court before Honorable ERNEST E. L. HAMMER, and a jury on the 29, 30, and 31st day of January, 1947. A verdict was rendered

therein for the subject by a special verdict. The jury also found that the property detained consisted of United States currency in the amount and value of \$27,200, and that the subject was entitled to the return thereof. The jury also found a verdict for the Intervenor, the United States of America, for the sum of \$21,687.16, with interest to be computed and added, which amounted to \$24,233.60.

2. Contempt Before United States Senate Committee

The following information was obtained from the office of the United States Attorney, Southern District of New York, and from records of Docket number C137-55, Clerk's Office, United States District Court, Southern District of New York, as reviewed by SA [REDACTED] on December 6, 1957: b7c

FRANK COSTELLO was called as a witness before the Special Senate Committee to Investigate Crime in Interstate Commerce. The Chairman of the Committee was United States Senator ESTES KEFAUVER, and hearings were held in the United States Court House in New York City in March of 1951. FRANK COSTELLO was subpoenaed as a witness before this Committee on March 13, 14, 15, 16, 19, 20 and 21, 1951, however, on March 13, 1951, he refused to answer questions relative to his net worth. On March 15 and 16, 1951, he refused to answer any questions. On March 21, 1951, he refused to answer the question as to whether he owed an amount of money in excess of \$10,000 to any person, company or organization. He also refused to answer questions regarding his total indebtedness.

Based on COSTELLO's refusal to answer questions before the Committee after being directed to do so, COSTELLO was first indicted on July 25, 1951, on nine counts in violation of Section 192, Title 2, United States Code. COSTELLO surrendered himself on July 25, 1951, to the United States Marshal and was released in \$5000 bail after his arraignment on the same day.

On December 5, 1951, a superceding eleven-count indictment was filed charging violation of Section 192, Title 2, United States Code. On December 6, 1951, he pleaded not guilty and was released on bail in the sum of \$5000. COSTELLO went to trial in the United States District

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Court on January 7, 1952, before Federal Judge SYLVESTER J. RYAN. The Government's case was handled by United States Attorney MYLES J. LANE. COSTELLO was represented by Attorney GEORGE WOLF. The trial ended on January 14, 1952, when the jury disagreed. It was reported that the jury stood eleven to one for conviction.

COSTELLO went to trial a second time beginning March 31, 1952, before Federal Judge SYLVESTER J. RYAN. On April 4, 1952, he was found guilty by the jury on all ten counts. He was sentenced by Federal Judge SYLVESTER J. RYAN on April 8, 1952, to eighteen months and fined \$5000.

Judge RYAN remanded COSTELLO to jail on April 8, 1952, but he was continued in the same \$5000 bail by the Circuit Court of Appeals pending an appeal on his conviction.

On July 3, 1952, the United States Court of Appeals, Second Circuit, unanimously upheld the conviction of FRANK COSTELLO for contempt of the Senate Crime Committee on Counts 5, 6 and 8, but reversed the conviction on counts 1, 3, 4, 7, 9, 10 and 11, on which COSTELLO was found guilty on April 4, 1952, by the United States District Court. By the reversal of the above counts, COSTELLO's imprisonment to a term of eighteen months remained, but the fine was reduced from \$5000 to \$2000. Subject lost his last appeal when on August 13, 1952, Supreme Court Justice JACKSON for the second time refused to permit COSTELLO to remain free on \$5000 bail while awaiting appeal to the Supreme Court. COSTELLO surrendered to the United States Marshal for the Southern District of New York on August 15, 1952, to begin serving the eighteen months sentence he received for Contempt.

On January 17, 1958, Assistant United States Attorney JOHN W. HASSON, Claims Unit, United States Attorney's Office, Southern District of New York, furnished subject's file which reflects that the above-mentioned \$2000 fine was paid on January 7, 1953.

Subject's file number 64136, as reviewed on January 28, 1958, at the Federal Detention Headquarters, New York City, reflected a case entitled "United States versus Frank Costello," number C137/55.

This file reflects that on April 8, 1952, subject was convicted by a jury for refusing to answer certain questions before a Senate Subcommittee investigating crime, Title 2, Section 192, United States Code. Subject was sentenced to one year and six months and fined \$5000. He was received at the Federal Detention Headquarters on August 15, 1952. He was transferred to the United States Penitentiary at Lewisburg, Pennsylvania, on August 22, 1952.

The records of the United States Penitentiary, Lewisburg, as reviewed by SA [REDACTED] on December 6, 1957, reflected that subject was received at Lewisburg on August 22, 1952, and was transferred to the United States Penitentiary, Atlanta, Georgia, on October 9, 1952. b7c

Records of T-4, reflect that subject was received at the Federal Correctional Institution, Milan, Michigan, on December 26, 1952, from the United States Penitentiary, Atlanta, Georgia. Subject was discharged from the Federal Correctional Institution at Milan on October 29, 1953.

3. Denaturalization Proceedings

On December 13, 1957, SA [REDACTED] reviewed the records of Docket number C, 79-309, maintained by the Clerk of the United States District Court, Southern District of New York. The records reflected the following information concerning subject's civil action of denaturalization: b7c

On or about October 22, 1952, a complaint was filed in United States District Court, Southern District of New York, charging that FRANK COSTELLO, prior to September 10, 1925, was a citizen of Italy, that on May 1, 1925, he filed a Petition for Naturalization, and he was

admitted to citizenship on September 10, 1925. The complaint charged that the naturalization was illegally procured in that the subject, during the five year period preceding the date of his application for naturalization, had not behaved as a man of good moral character; he was in violation of the National Prohibition Act, United States Constitution, Amendment XVIII, in that he did sell, transport, import, deliver or possess intoxicating liquor with no authorization; he did not file Federal and State Income Tax returns and failed to pay Federal and State income taxes in violation of law; conspired to bribe officers, agents and employees of the United States Coast Guard and Federal Prohibition Agents to induce them to fail in their duty of enforcing the National Prohibition Act; he was engaged in large scale gambling activities; he practiced deception upon the court by false statements and concealment of facts in the proceedings which led to his naturalization; and, that the naturalization was illegally procured in that the subject's oath of allegiance to the Constitution and laws of the United States, as required by the provisions of the Nationality Act of 1906, was false and invalid in that it was taken, with mental reservations to violate and to continue to violate the 18th Article of Amendments of the United States Constitution, the National Prohibition Act, Federal and State Income Tax laws, and other state and federal laws.

The complaint charged that the naturalization was illegally procured in that the two witnesses, namely FRANK A. GOSS and HARRY C. SAÜSSER, were not credible witnesses, and in subject's naturalization proceedings, testified falsely to this knowledge concerning subject's good moral character, business occupation, and concerning their own occupations.

The complaint also charged that the naturalization was fraudulently procured in that, in the proceedings which led to his naturalization, subject made fraudulent misrepresentations, that his occupation was real estate, where as in fact his actual occupation was gambling and illicit traffic in liquor; that his witnesses knew he was engaged in immoral, illegal, constitution violating activities;

subject's witnesses had for their occupation real estate, when subject knew that his principal occupation was illicit traffic of liquor; that subject had taken the oath to support and defend the Constitution and laws of the United States with intent to violate the oath; that he was actively engaged in violating the Constitution; he used the name FRANK SAVERIO under which he was convicted in New York, in 1915, for carrying a concealed weapon, claimed his only alias was FRANCISCO CASTIGLIA; that he had no prior arrests, whereas in fact, he had been arrested at least three times; May 8, 1908, assault and battery; November 19, 1912, assault and battery; March 12, 1915, carrying a concealed weapon; and, that he had no prior convictions, whereas in fact, he was convicted in New York in 1915, for carrying a concealed weapon.

On September 7, 1954, subject was orally examined by Assistant United States Attorney ALFRED P. O'HARA. Subject refused, on the advice of his attorney, to answer all questions relating to his naturalization, his acquaintance with any person, whether he had ever been arrested, his occupation from the age of eighteen to the date of his naturalization, his income during the period prior to his naturalization, any premises or leases that he may have held at any time prior to his naturalization, and whether he ever used any name other than "FRANK COSTELLO" prior to the date of his naturalization.

On December 10, 1954, Honorable JOHN F. X. MC GOHEY, United States District Judge, United States District Court, Southern District of New York, found FRANK COSTELLO in contempt and ordered him to pay a fine of \$500.

An appeal was made to the United States Court of Appeals, Second Circuit, and was affirmed on May 10, 1955.

On October 10, 1955, a petition for certiorari to the Supreme Court was denied.

On October 23, 1956, Honorable EDMUND J. PALMIERI, United States District Judge, United States District Court,

Southern District of New York, during the course of the trial, found that the government's case "permeated with the fruit of illegal wiretaps and held that it would not be feasible to attempt to separate the legal and illegal evidence so as to possibly save the case." Judge PALMIERI dismissed the complaint in this action without prejudice.

On August 8, 1957, United States Court of Appeals for the Second Circuit reversed the decision of Judge PALMIERI and remanded the action to the United States District Court, Southern District of New York.

In an article appearing in the "New York Herald Tribune" of April 8, 1958, it was stated that "The Supreme Court today dismissed the government's denaturalization case which sought the deportation of racketeer FRANK COSTELLO. The decision, based on a technicality, was unanimous. The Supreme Court threw out the case on the ground that a document called an affidavit of good cause, showing the government's evidence against the accused, had not been filed on time. The court ignored completely the contention by COSTELLO's attorney, EDWARD BENNETT WILLIAMS, that the case was invalid because it was 'permeated by wire tapping.'"

An article appearing in the "New York Times" of May 2, 1958, reflected that the Government reinstituted its denaturalization suit yesterday in Federal Court against FRANK COSTELLO. If the 67-year-old gambler were stripped of his citizenship, he would be subject to deporting to his native Italy. United States Attorney PAUL W. WILLIAMS said the new action was drawn to meet the objections of the United States Supreme Court. After that action was brought the Government had filed affidavits supporting its contention that a fraud had been perpetrated. The Supreme Court held that the affidavits and the suit had to be filed contemporaneously.

In the new action Assistant United States Attorney MORTON S. ROBSON contended as before that COSTELLO had fraudulently obtained his naturalization papers on September 10, 1925. COSTELLO assertedly testified falsely before a

naturalization examiner that at the time he was dealing in real estate, "whereas in truth his occupation was the illicit purchase and sale of alcohol." The gambler also was said to have concealed a police record of three arrests for robbery and one conviction for possession of a revolver. He further failed to say that he was known as FRANK STELLO and FRANK SAVERIO, it was contended.

4. Income Tax Conviction b7c

SA [REDACTED] reviewed the records of docket number C141-9, maintained in the Clerk's Office of the United States District Court, Southern District of New York, on December 7, 1957. The records reflected that on March 11, 1953, FRANK COSTELLO was indicted by the Federal Grand Jury in the Southern District of New York, for unlawful evasion of taxes in violation of Section 145 (b), Title 26, United States Code, attempt to defeat and evade income taxes for the years 1946 through 1949. At the time the indictment was filed on March 11, 1953, a bench warrant was issued by the Honorable GREGORY F. NOONAN. COSTELLO was at that time confined to the Federal Correctional Institution, Milan, Michigan, on a charge of contempt of congress.

On April 23, 1953, COSTELLO appeared in the United States District Court, Southern District of New York, before Honorable JOHN W. CLANCEY, United States District Judge and entered a plea of not guilty to the indictment. Bail was fixed in the amount of \$5000. COSTELLO was returned to the Federal Correctional Institution, Milan, Michigan, on May 28, 1953.

On April 5, 1954, the case was called for trial before Honorable JOHN F. X. MC GOHEY, United States District Judge, United States District Court, Southern District of New York. On May 13, 1954, the jury found COSTELLO guilty of counts 2, 3, and 4, of the four count indictment charging him with wilfully attempting to evade payment of income taxes for the years 1946, 1947, 1948, and 1949, and he was found not guilty on count number one.

On May 17, 1954, COSTELLO was sentenced by Honorable JOHN F. X. MC GOHEY to a term of five years on each of counts 2, 3, and 4, to run concurrently, and he was fined \$10,000 on each count.

On May 17, 1954, an appeal was made to the United States Court of Appeals for the Second Circuit, to reverse the judgment imposed against COSTELLO. On May 17, 1954, motions for bail pending appeal were denied by Judge MC GOHEY. COSTELLO was confined to the Federal House of Detention, 427 West Street, New York City, on May 17, 1954.

On June 10, 1954, a further motion for bail pending appeal was denied by a full bench of the Court of Appeals for the Second Circuit. On June 18, 1954, a further motion for bail pending appeal was granted by Honorable ROBERT H. JACKSON, Circuit Justice, and FRANK COSTELLO was released on bail, \$50,000, surety bond on June 22, 1954.

On October 8, 1954, an appeal to the United States Court of Appeals was argued and on April 5, 1955, the Court of Appeals reversed COSTELLO's conviction on count 2, but upheld counts 3 and 4.

On June 30, 1955, Honorable LAWRENCE E. WALSH, United States District Judge, extended bail limitations for COSTELLO to travel to New Orleans, Louisiana, for a period of approximately one month. COSTELLO petitioned the United States Supreme Court for a writ of certiorari, which was granted on October 10, 1955.

The Supreme Court on March 5, 1956, affirmed the judgment of the Court of Appeals and on April 23, 1956, denied subject's petition for rehearing.

On May 2, 1956, COSTELLO, in a petition to the United States District Court, Southern District of New York, stated that if the Government was willing to dismiss the present case against him involving income tax and the denaturalization proceedings instituted about October 22, 1952, he was willing to consent to denaturalization and thereafter leave the country.

On May 14, 1956, COSTELLO commenced serving the five year sentence imposed against him and was confined in the Federal House of Detention, New York City.

On March 11, 1957, COSTELLO was released on \$25000 surety bond pursuant to an order of the United States Supreme Court.

In an article appearing in the "New York Telegram and Sun" dated December 18, 1957, it stated that "U.S. District Judge JOHN F. X. MC GOHEY today ordered that FRANK COSTELLO surrender at 3:30 p.m. Monday--two days before Christmas--to resume serving a five year sentence for tax evasion."

An article appearing in the "New York Herald Tribune" dated December 24, 1957, reflected that "A Federal Judge noting that FRANK COSTELLO's lawyer argues 'very persuasively,' and besides, 'it is now ten minutes after 4 on the day before Christmas eve,' yesterday gave the gambler until January 6 to surrender and resume serving his five-year sentence for income tax evasion."

An article appearing in the January 9, 1958, issue of the "New York Herald Tribune" reflected that the United States Court of Appeals, Second Circuit, New York City, on January 6, 1958, continued subject free on \$25,000 bail, pending argument on appeal of his 1954 conviction of income tax evasion.

During the morning on March 14, 1958, subject's case concerning his 1954 conviction for evasion of income taxes, was argued before the United States Court of Appeals, Second Circuit, Southern District of New York. EDWARD BENNETT WILLIAMS represented the subject, and Assistant United States Attorney ARTHUR H. CHRISTY presented the Government's case. Subject, through his attorney, was attempting to have his 1954 conviction set aside in favor of a new trial.

WILLIAMS, in substance, presented the following points as grounds for having the conviction set aside:

(1) The Government presented evidence during the trial which was obtained as a result of a wire tap on COSTELLO's telephone. (2) The Government caused a delay in delivery of subject's mail to his residence as a result of a mail cover having been placed on his residence. (3)

The Government had scrutinized the income tax returns of jurors that returned the conviction against subject.

Assistant United States Attorney CHRISTY, in substance, argued that the Government had presented sufficient evidence to sustain a successful prosecution, even excluding the wire tap evidence. The Government did not cause a delay in the delivery of subject's mail, that a mail cover is legal--it is authorized, and the mail cover was not used for any unlawful purpose. He argued that the income tax returns of the prospective jurors were scrutinized so that if it was ascertained that any prospective juror was having any difficulty with the Internal Revenue Service, a peremptory challenge might be used with regard to this juror. As far as the jurors were classified, CHRISTY argued that it was only a classification in the mind of the Assistant United States Attorney then trying the case, and only he knew the basis of his own classification of the prospective jurors.

The Circuit Court of Appeals reserved decision on a motion to set aside a lower court ruling which denied subject a new trial in his tax case. Subject remained free in \$25,000 bail.

b7c [REDACTED] Clerk, United States Attorney's Office, Southern District of New York, advised on May 21, 1958, that the United States Court of Appeals on May 20, 1958, unanimously affirmed the lower court's decision which denied subject's motion for a new trial on his 1954 conviction of income tax evasion. According to [REDACTED] subject has thirty days in which to file a Writ of Certiorari before this ruling becomes final. b7c

On January 17, 1958, Assistant United States Attorney JOHN W. HASSON, Claims Unit, United States Attorney's Office, Southern District of New York, made available subject's file, under Court Docket number C141-9, which reflected that on May 17, 1954, a civil judgment of \$30,000 was entered against subject.

On the 20th day of May, 1954, an order, duly made by the Honorable EDWARD A. GODDARD, filed in court,

requested COSTELLO to appear on May 27, 1954, to make discovery on his oath concerning his property, income, assets and other means of satisfying the judgment held by the United States in the sum of \$30,000; by reason of the fine imposed upon him. COSTELLO appeared on May 27, 1954, and was duly sworn. On June 7, 1954, COSTELLO wilfully failed and refused to make discovery on his oath concerning his income, property, assets or other means of satisfying judgment.

On August 5, 1954, after a hearing on the motions, Judge EDWARD A. CONGER ordered that the government's motion be withdrawn and that the order was to be vacated.

Assistant United States Attorney HASSON advised that inasmuch as one count of subject's sentence had been reversed, the original fine of \$30,000 had been reduced to \$20,000. He went on to state that to date, subject had not paid any amount of the \$20,000. Therefore, the amount remains unpaid.

The "New York Times" of February 24, 1945, reflected that on February 23, 1945, the Police Commissioner, LOUIS J. VALENTINE, of New York City, named FRANK COSTELLO as one of the three individuals in control of big-time gambling in New York City, the other two being JOE ADONIS and FRANK ERICKSON.

5. Subject's Testimony Before
United States Senate Committee

On March 13, 1951, and on subsequent days, subject testified before the United States Senate, Special Committee to Investigate Organized Crime in Interstate Commerce, which hearings were held in New York City.

In substance and in part, subject stated he began taking bets on horses about twenty years ago on a commission basis. He stated he was never a bookmaker, but was a "commission." He explained that if you wanted to bet on a horse, he would place the bet for you with a bookmaker and he would collect a percentage of the total amount bet.

COSTELLO testified that GEORGE M. LEVY had told him that he was having difficulty with bookmakers at the Roosevelt Raceway and he feared he might lose his license if the track was not cleaned up. LEVY asked him to help him rid the track of bookmakers. He received \$15,000 a year from LEVY for four years beginning in 1946, for a total amount of \$60,000. For this sum, he spread the word around that if a bookmaker was arrested at Roosevelt Raceway, it would be very severe.

He testified that he has known PHIL KASTEL since 1926-1928. He had been associated with KASTEL in slot machines in New York and he and KASTEL were very good friends. He and KASTEL were in partnership with the slot machines in New York City. They placed them in various locations in New York City; however, they were small operators owning a few hundred or so machines. He was put out of the slot machine business by Mayor FIORELLO LA GUARDIA and that after this he went into the slot machine business in Louisiana. He also had 50 per cent of JOE STEIN's interest in the Piping Rock Casino at Saratoga Springs, New York, in 1940 or 1941, and that STEIN's interest at that time was 30 per cent.

He testified he first went into the slot machine business in New Orleans, he believed to be in 1935. HUEY LONG, then Governor of Louisiana, came to New York and asked him whether he would care to go to New Orleans, and go into the slot machine business. Governor LONG wanted him to go to New Orleans and make a survey in order to find out how many locations could be had, as Governor LONG wanted to pass legislation in order to get a revenue for an old age pension. He went down to Louisiana and let KASTEL make the survey.

They had about 600 machines in Louisiana and he had a 20 or 22 per cent interest. His wife had no interest in the slot machines, but she had an interest in a juke box, not a slot machine, and the slot machines were illegal in Louisiana at that time. KASTEL did the purchasing of the slot machines from the Mills and Jennings Company. According to COSTELLO, he practically had nothing to do with the business of the slot machine company in New Orleans and he did not dictate policies to KASTEL as KASTEL was very capable. The machines were later confiscated

by the New Orleans Police Department. "We are not in business, we are out of business." "I am retired." He explained that the slot machines, as you call them, had five cent mint bars in them and when a coin was inserted and the lever pulled, a person so inserting the coin would get this five cent mint bar, which was like a lifesaver, and that was why he called this machine a mint machine.

He indicated that his income in 1944, from the Louisiana Mint Company, New Orleans, was \$70,685.33. His last income from this company was in 1946. KASTEL also had an interest in this company and his brother-in-law, DUDLEY GEIGERMAN, managed the business.

He stated he, at one time, had a room at 405 Lexington Avenue, which he used as a real estate office, and he did not use these premises for bookmaking. RUDOLF HALLEY, Chief Counsel, brought out that COSTELLO had reportedly answered questions before the New York State Liquor Authority, New York City, on February 15, 1947, that he was engaged in bootlegging from 1923 to 1926, that he was in business for himself, that he had no partner, that he brought whiskey into the United States, and that his office was at 405 Lexington Avenue, for approximately three years. COSTELLO testified "but now, to my recollection, thinking it over, I know I haven't sold any liquor prior to 1926 or 1927."

Prior to September, 1925, COSTELLO did not engage in the business of selling, purchasing, transporting, or possessing alcoholic beverages within the United States, nor prior to 1925, did he purchase alcoholic beverages within the United States contrary to law.

COSTELLO was almost positive he was not in the liquor business at the time of his application for naturalization. He admitted he had known HARRY SAUSSER, a railroad man, for seven to ten years prior to his application, and he had no recollection that SAUSSER had been in the rum running business. He had the name of HARRY SAUSSER and FRANK GOSS on his application for naturalization and he believed that GOSS was, at that time, working for the "Tribune" or "Mirror," but GOSS was not, to his knowledge, in the rum running business.

COSTELLO stated he was in the liquor business during prohibition, "on and off" and he would not say that he bought liquor in Canada, but some people did business in Canada, brought the liquor into the United States, and he bought the liquor from them. Directly, he had not done any business in Canada, but had done business through someone else. They would smuggle the liquor into the United States and he would buy it from them. COSTELLO could not identify these individuals, this being approximately in 1927, 1928 or 1929, but was not earlier than 1927. The HARRY SAUSSER (phonetic), the person from whom he purchased this liquor, was not the HARRY SAUSSER who signed his application for citizenship and he believed the HARRY SAUSSER is deceased.

As an accommodation, he and KASTEL endorsed a note of WILLIAM HELLIS of New Orleans, Louisiana, in the amount of \$325,000, in 1937. This was in connection with the William Whitely Liquor Company of London, England, whereby KASTEL received an interest in that company for the distribution of Kings Ransom and House of Lords whiskey in the United States. HELLIS was the wealthy Greek of New Orleans, who is now deceased.

According to COSTELLO, he received nothing of this deal for signing the note, as he signed the note out of pure friendship. In this connection, he imagined that in 1940, he signed a Mills Brothers note for \$65,000 just as an accommodation for KASTEL.

He advised he had known IRVING HAIM for many years and HAIM went to England in order to arrange a contract for him with Turney Distilleries, Limited, London, England. COSTELLO advised he was to promote the interest of the company in the United States by personal contacts with wholesalers, retailers, and with the consuming public, by frequenting first-class hotels and restaurants and asking to be supplied with the company's brands marketed in the United States. He was to "cast" to the Alliance, all orders and inquiries for Whitely's brands and the company was to pay him \$,000 pounds per annum as a contribution toward his expenses, promoting, and furthering the sales of the company's brands in the United States. The company was to pay COSTELLO, as a commission, 5 shillings on every case in excess of 50,000 cases per annum, shipped by the company to the United States.

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According to COSTELLO, the deal fell through as someone from Louisiana objected to his being in the deal. He advised he had received nothing valuable from HAIM after 1938, when the deal for Whitely's fell through.

Subject testified that the first occupation in which he was engaged was in a piano factory. After this, he was convicted of a gun charge in 1915. After his release from jail, he became interested with a fellow named HOROWITZ, in the manufacturing of kewpie dolls, which business lasted until about 1919. He then went into the real estate business. He was unable to state how he obtained the money to start his real estate enterprise, but it might have been from gambling.

According to COSTELLO, the legitimate occupations he had been in since 1920, were the Kolsar Realty Company and Dainties Products Company.

The Kolsar Realty Company operated from 1922 to 1925, as a real estate business, having had one transaction on 92nd Street and Lexington Avenue. This realty company also built one or two apartment houses in Bronx, New York.

The Dainties Products Company was an ice cream company which dealt in eskimo pies. He put \$15,000 or \$20,000 into Dainties Products Company, which operated in approximately 1920. He stayed in this business only for a short period of time. He also put some money in a doll company approximately 32 years ago, but lost his money. He could not say whether he had gotten his money for any of these ventures from bootlegging, or from gambling.

From the prohibition days up until the time he invested in the 79 Wall Street Corporation, the above-mentioned ventures were his legitimate businesses.

He testified that he owns 20 per cent of the Beverly Country Club, New Orleans, and that KASTEL, FREDDY RICKERFORD and CARLOS MARCELLO, also had an interest in the club. He did not actually control, nor did he take any active part in the night club. He stated that the Beverly

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Country Club is a night club and restaurant, and he refused to answer the question as to whether the Beverly Country Club had a gambling casino attached to it, as it might tend to incriminate him. He stated that he had not had any profits from the Beverly Club during the time in which he had an interest, but he had drawn a salary of \$1000 a month and in 1950, his salary was increased to \$1500 per month. For this salary, he advised that he helped to get various acts for the club, and he also solicited some business for the club.

According to COSTELLO's testimony, it was Mrs. COSTELLO who had an interest in the Crescent Music Company in New Orleans, Louisiana. PHIL KASTEL was her partner in this company. He stated in this connection, that he had absolutely no control, nor did he have anything whatsoever to do with the company. It was only a small investment on the part of Mrs. COSTELLO, in connection with the music boxes.

According to information furnished by COSTELLO, he received \$3000 in salary in 1950, from the 79 Wall Street Corporation. This corporation was a real estate holding corporation, which held two or three buildings at that time. He sold the buildings in 1950, all as one parcel. As a result of this transaction, he obtained a net profit of \$119,756.42. He had purchased this property in 1943 or in 1944, for \$300,000, and this was the only real estate he had held in the last ten years.

Subject stated that the money that he had so invested in the 79 Wall Street Corporation, in 1942 or in 1943, was obtained from the operation of slot machines. He put \$50,000 or \$55,000 in actual cash toward the purchase price of \$300,000, and when he purchased this property, it had a \$250,000 mortgage against it. He borrowed \$25,000 from FRANK ERICKSON, but this did not mean that he put

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this money into the purchase price of this building. He also had \$26,800 in gambling winnings in 1950, as well as a gross income of \$5,300 in oil lease ventures. His legitimate business in 1950, was practically nothing, outside of the 79 Wall Street Corporation and a little oil, and that this was all of his business interests during this year, according to COSTELLO.

COSTELLO testified that he had some oil investments, this being in oil wells. He happened to get into the oil investment through FRANK ERICKSON, who mentioned it to him one morning while they were in the Waldorf-Astoria Hotel barber shop. He, at that time, had no facts whatsoever, concerning the oil wells, and it was just a blind investment on his part. In fact, he was gambling with ERICKSON. He invested \$3,900 or \$4,000 with ERICKSON, and Mrs. UFFNER also had an interest, as well as did individuals named BREUIL and RYAN.

According to COSTELLO, his oil interest was 4/48ths. He testified that his oil investment was \$4,000 in cash to ERICKSON, and over a period of time, he invested various additional sums. He received a return of maybe, \$4,000 or \$5,000 a year, and from a total investment of \$41,114, he had received a total of \$92,060.71. These leases were in Texas, counties of Wise, Jones, Lovin, and Schleicher.

COSTELLO testified that he had no other legitimate enterprise at that time. During the past ten years, he had an interest in the Beverly Club, the 79th Wall Street Corporation, and the Tele-King Television Corporation. He knew LOUIS POKRASS, of Tele-King Corporation, and he invested \$20,000, and later found out that MEYER LANSKY also had an interest in Tele-King Corporation. The Tele-King Corporation wanted him to invest additional money, or to loan the company money, but he

did not do this inasmuch as he did not have much confidence in this corporation. He turned the stock in and POKRASS paid him back in full.

He testified that he had no interest directly or indirectly in the Copacabana Night Club, in any hotel in New York City, nor did he have any real estate at that time, anywhere in the entire world, other than his home at Sands Point.

He testified that he had no interest in the Whiteley's Distilleries or the Alliance Distributors.

COSTELLO stated that he had a 35 per cent interest in a jet broiler company which made infrared broilers. The company was in its infancy, it took none of his time, and he left the whole thing to Mr. WOLF.

He stated that he had the Realty Trading Company which he started a few months prior, however, he did not know who the directors of this company were, other than Mr. WOLF.

"Mr. Halley. What other legitimate businesses or enterprises do you have?"

"Mr. Costello. At present, none."

He stated he helped Congressman MIKE KENNEDY, who, in 1943, was the leader of Tammany Hall, just talking to some leaders who were friendly with him, probably JIMMY KELLY, FRANK MANCUSO, Dr. SARUBBI, and a few others. KELLY was leader of the Second District, now deceased, whose true name was JIMMY DE SALVIO. According to COSTELLO, KELLY was an old friend of his. He has known FRANK MANCUSO for many, many years as a very close friend.

He advised that he had been in a position to make a contribution in a campaign, but he had not made any contribution. He stated he had not ever voted and that he was not a member of any political organization and never was. "I am not a politician," "I am a friend of some politicians." He stated that while he was working or having KENNEDY elected,

he knew ABE ROSENTHAL, leader of the 8th District, and when ROSENTHAL wanted Judge AURELIO nominated, ROSENTHAL possibly spoke to him.

He was also a friend of AL KOPLITZ, Chief Clerk, Board of Elections, during that period of time. Of the District Leaders, FRANK MANUOSO was the closest, who was also a close friend of HUGO ROGERS, leader of Tammany Hall in 1949. He had known CARMINE DE SAPIO, a friend of his, for five years or so. He, at one time, met at the Biltmore Hotel with GENE POPE, Judge MANCUSO, and CARMINE DE SAPIO, and Judge VALENTE may have been there. This was a meeting GENE POPE had arranged for some sort of an Italian charity drive.

The subject also admitted knowing or having met the following individuals:

AL CAPONE (deceased)
WILLIE MORETTI (deceased)
"BUGSY" SIEGEL (deceased)
JOE ADONIS
CARLOS MARCELLO
JOHN ROSELLI (had met).

He stated he knew CHARLES LUCIANO well, and in 1946, he and MEYER LANSKY visited with LUCIANO at Ellis Island. Later in 1947 or 1948, he had been in Florida and went on to Havana, Cuba, for a couple of days. He met LUCIANO in the lobby of the hotel in Havana and LUCIANO rode out to the airport with him; however, they did not discuss any business matter. He also stated that he did not attend any party aboard the ship "Laura Keane" with LUCKY LUCIANO before LUCIANO was deported.


Concerning individuals referred to above, the following is noted:

JOE ADONIS, who reportedly was a hoodlum in the New York area, voluntarily departed the United States for Italy, in 1946, to avoid prosecution.

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MEYER LANSKY, FBI Number 791783, was born July 4, 1902, in Brodno, Poland. He arrived in the United States on April 4, 1911. Naturalized on September 27, 1928, at New York, New York. His last residence was listed as the Colonial Hotel, in Miami, Florida, as of November 1, 1957. LANSKY is presently concerned with gambling activities which are conducted as legitimate enterprises in Havana, Cuba. He was arrested by the New York City Police Department on February 11, 1958, for vagrancy, and he at that time, also gave a Hollywood Florida, address.

b7c



The New Orleans Office advised on December 26, 1957, that A. J. "FREDDIE" RICKERFOR, the New Orleans gambler, is deceased.

JOHN ROSELLI has FBI Number 3339986, and claims birth at Chicago, Illinois, on July 4, 1904. His first known arrest was in California in the middle 1920's, and he was convicted on December 22, 1943, at New York City, for violation of Section 402A, Title 18, United States Code, with others for extortion of funds from motion picture producers. He was sentenced to serve ten years in prison. He was paroled on August 3, 1947. He reportedly had been associated with known hoodlums in Los Angeles and Chicago, for many years and is reported to be a representative on the West Coast for Eastern hoodlums. ROSELLI maintains on

an apartment in Los Angeles where he stays only one or two days each month, and he may also have a residence in Las Vegas, Nevada. Records of the "Kefauver Committee" before which he testified in October, 1950, reflect that he admitted knowing FRANK COSTELLO.

PHILLIP KASTEL, Roosevelt Hotel, New Orleans, Louisiana, advised SA REGIS L. KENNEDY on February 25, 1958, that he had not seen FRANK COSTELLO in several years. He remarked that he first met COSTELLO in about 1925 or 1926, at which time COSTELLO was a political figure with Tammany in New York.

KASTEL advised that he learned of the existence of the slot machines built by the Mills Company and went to COSTELLO with the idea. He advised that COSTELLO was not at first receptive to it, but KASTEL remarked that he pointed out the Woolworth Building, and said look at what nickels and dimes built. He said this impressed COSTELLO, and he decided to operate slots in New York, which they did successfully, until Mayor LA GUARDIA was elected, and the first thing he did was to run COSTELLO's slot machines out of New York.

KASTEL, in discussing the Tropicana Hotel at Las Vegas, Nevada, advised that it was his desire to build a legitimate hotel at Las Vegas, which he did. He advised that he did not learn from his attorneys until the hotel was almost built, that he would have to apply for a license and then he discovered he could not obtain one. He stated that FRANK COSTELLO had absolutely no interest in the Tropicana Hotel.

KASTEL further advised that COSTELLO has only one interest in the State of Louisiana, and that is the interest he has in the Beverly Club. KASTEL advised that the Treasury Department has placed a lien against this interest, and if it is sold, the money will revert to the U.S. Government. KASTEL added that he now owns the other eighty per cent of the Beverly Club.

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6. Reported Former Political Activity

With regard to the hearings concerning THOMAS A. AURELIO, the following is noted as appearing in "Collier's", April 19, 1947:

The Democratic party nominated AURELIO on the night of August 23, 1943. A few days later he was also designated as the Republican nominee, under bipartisan arrangements, designed to keep the judiciary out of politics. On August 28, 1943, District Attorney Hogan issued a statement to the newspapers, in which he said, in part:

"FRANK COSTELLO, ex-convict and underworld leader allied with certain leaders in the Democratic party, brought about the nomination of Magistrate THOMAS A. AURELIO as a candidate for justice of the Supreme Court. COSTELLO, racketeer and gangster, is notorious throughout the country. He has been for years an associate of CHARLIE 'LUCKY' LUCIANO, LOUIS 'LEPKE' BUCHALTER, JACOB 'GURRAH' SHAPIRO, ABE 'LONGIE' ZWILLMAN, MEYER LANSKY of the 'Bugs-Meyer' mob, JOSEPH DOTO, alias Joe Adonis, the leader of the Brooklyn underworld, and other notorious gangsters and gunmen.

"For some time, in the course of an investigation pending in my office into the criminal activities of FRANK COSTELLO.' District Attorney Hogan's detectives had been listening to COSTELLO's conversations over his private, unlisted telephone. They had heard a good deal of talk between COSTELLO and various Democratic politicians about the candidacy of 'Mr. A.' but were unable to identify Mr. A. definitely until the early morning of August 24, 1943, when Magistrate AURELIO telephoned COSTELLO a few hours after he had been nominated. The following conversation was recorded by the detectives:

"AURELIO: 'Good morning, FRANCESCO, how are you and thanks for everything.'

"COSTELLO: 'Congratulations. It went over perfect. When I tell you something is in the bag you can rest assured.'

"AURELIO: 'It was perfect. . . It was fine. . .'

"COSTELLO: 'Well, we will all have to get together, you, your missus, JOE and myself, and have dinner some night real soon.'

"AURELIO: 'That would be fine, but right now I want to assure you of my loyalty for all you have done. It's undying.'

"COSTELLO: 'I know. I'll see you soon.'

District Attorney HOGAN's statement said that although the facts did not disclose the commission of a crime, they did constitute an affront to the electorate and a threat to the integrity of the judiciary. He decided to present the matter to KENNEDY in the hope that KENNEDY would demand that AURELIO withdraw.

It did not come out until later, when COSTELLO testified at the AURELIO disbarment hearings, that KENNEDY had known the racketeer for twelve years, that they called each other by their first names, that COSTELLO had supported KENNEDY for the Tammany Hall leadership, that KENNEDY had thanked COSTELLO for his support, that KENNEDY had been entertained in New Orleans by Dandy PHIL KASTEL, that since KENNEDY became leader of Tammany Hall he had seen COSTELLO at least once a week, and that COSTELLO had been present at a meeting in KENNEDY's office at which the nomination of AURELIO was decided upon.

District Attorney HOGAN took no further action until 6:30 o'clock on the night of August 27th, when he was informed that AURELIO had refused to withdraw his candidacy. It was then only a few hours before the legal deadline for filing such withdrawal, and the district attorney notified the Republican and American Labor parties of the conversation. The Republicans immediately reassembled their judicial convention and repudiated AURELIO's candidacy and the Democrats were forced to do likewise.

But AURELIO contended that the election laws did not permit such action, and was upheld by the courts. The Bar Association then decided to institute proceedings to remove AURELIO from office as magistrate, which if successful would have debarred him from holding judicial office. AURELIO circumvented this move by resigning.

Disbarment proceedings were then brought against AURELIO by the Bar Association, and hearings were held before Judge CHARLES B. SEARS of Buffalo as referee. Both COSTELLO and AURELIO testified, and admitted that COSTELLO had been one of the prime movers in AURELIO's nomination. But AURELIO testified that he had known nothing of COSTELLO's criminal background, and had supposed him to be a reputable businessman.

A strenuous write-in campaign was then undertaken on behalf of an independent candidate named by the Democrats and Republicans, and support was also thrown to the American Labor Party candidate. But AURELIO had the distinct advantage of having his name printed on both ballots. He was elected although he polled 90,000 fewer votes than the combined total of his two opponents.

7. The Attempt on the Life of Subject

The "New York Daily News" of May 3, 1957, reflected that at approximately 11:00 p.m. the previous night, May 2, 1957, a gunman fired one shot which struck COSTELLO at the left ear, burrowed under the scalp, and part way around the back of his head, and emerged close to the right ear. Examination, however, showed the bullet had not pierced COSTELLO's skull. The gunman made his escape in a black Cadillac sedan driven by an accomplice. The above attack was made in the foyer of COSTELLO's residence at 115 Central Park West. COSTELLO had just alighted from a cab after coming home from a party in the plush East Side restaurant, The Monsignore, 61 East 55th Street.

The "New York Post" on May 8, 1957, contained an article reflecting that one paper found on COSTELLO, which

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was shown to him and which he was asked to explain, contained the following:

Gross Casino Win as of 4/26/57		651284.00
Casino win less markers	434595.00	
Seat wins	62844.00	62846
Markers	153745.00	
	651284.00	651324

Mike @ \$150 per week	600.00
Jake @ \$100 per week	400.00
C.	400.00
Arthur Murray Dancer.	100.00
Notre Dame Glee Club tickets	125.00
City of Hope tickets bought by Mickey	
Colahan from table	26.00
	1651.00

L = 30000.00	Ave. slots	2618--
H = 9000.00	Ave. (illegible)	18114--
		20732

On January 28, 1958, the subject's file, Number 452483, was reviewed at the New York City Penitentiary, Rikers Island, New York. This file reflects that subject as a witness, appeared before a Grand Jury of General Sessions Court, New York City, on May 7, 1957, in the matter of conspiracy to commit the crime of murder upon FRANK COSTELLO. Subject refused to answer questions concerning his assault, and particularly papers found by detectives in his possession shortly after the assault.

The Honorable JACOB GOULD SCHURMAN therefore, summarily ordered an adjudged subject guilty of contempt of court and ordered that for the criminal contempt of court, the subject be committed to the workhouse for a term of thirty days.

NY 92-649

Subject was received at Rikers Island on May 9, 1957, and was discharged on May 22, 1957.

In an article in the "New York Journal American" of August 20, 1957, reported that VINCENT "the Chin" GIGANTE, age 29, a 215 pound ex boxer of 134 Bleeker Street, New York City, was under arrest by the New York City Police Department charged with the attempted murder of COSTELLO. The article related that GIGANTE had turned himself in on August 19, 1957.

An article in the "New York Herald Tribune" of August 30, 1957, reflected that VINCENT GIGANTE pleaded innocent on August 29, 1957, to an indictment charging him with attempted murder in the shooting, last May 2, of FRANK COSTELLO. The same newspaper in an article of September 19, 1957, reported that GIGANTE was released in \$100,000 bail on September 18, 1957, as the alleged attempted murderer of FRANK COSTELLO.

It is noted that the "New York World Telegram and Sun" of April 29, 1958, reflected that FRANK COSTELLO fought a 30-day contempt of court sentence before the Appellate Division contending that a "gross casino wins" slip found in his possession after he was shot last May, was seized illegally by police and should not have been used in questioning him. The court reserved decision.

In an article appearing in the "New York Times" of May 21, 1958, it is noted that during the trial of VINCENT GIGANTE, charged with attempted murder of subject, in General Sessions Court, subject on May 20, 1958, insisted that he never saw the gunman who wounded him. He denied that he had ever seen GIGANTE before and he knew of no reason why anyone should seek his life.

The "New York Daily News" on May 28, 1958, stated that "after six hours and fifteen minutes of deliberation, a General Sessions Court Jury at 11:45 last night, acquitted VINCENT L. (The Chin) GIGANTE in the attempted assassination of gambler FRANK COSTELLO."

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67 D

It is noted that information relating to subject's daily activities, has previously been set out in this report under "Employment."

E. Legitimate Enterprises With Which Subject Reportedly Was Connected

It is noted that information concerning former business ventures and interests of subject, is set out elsewhere in instant report. It is also noted that information concerning subject's interest in the Beverly Club, New Orleans, Louisiana, is set out in this report. As previously stated, subject has no known place of regular employment.

It is noted that file number 15414/1944, maintained in the County Clerk's Office of the Supreme Court, New York City, as reviewed on January 24, 1958, reflected that as of September 20, 1944, the Deputy Police Commissioner of New York City, was conducting an investigation with regard to the revocation of the license of the Copacabana Night Club, 10 East 60th Street, New York City. Among the charges against the Copacabana by the New York City Police Department, were that the Copacabana's application to the Police Department for a cabaret license, dated September 24, 1943, failed to set forth the names and addresses of all persons financially interested in the cabaret, and failed to set forth the complete list of the stockholders of the Copacabana.

In a Bill of Particulars, the Department of Investigations, City of New York, on September 6, 1944, pointed out in part, that among those persons connected with, interested in, or part-owners of the licensee corporation, who were dissolute, disreputable individuals, engaged in unlawful activities, were JULES PODELL, MONTE PROSER, JOE STEIN, and JACK ENTRATTER.

On September 15, 1944, the subject arrived at the trial room of the New York City Police Department, 156 Greenwich Street, and then and there refused to appear and give testimony.

The petitioner moved for an order adjudging and punishing subject for contempt. The petitioner pointed out that care must be taken that the licensees of night clubs should be law abiding persons and that gangsters, gamblers, and racketeers, and their associates, should not be permitted to operate such establishments. He went on to point out that subject was a person widely known as a disreputable and dissolute character. His reputation as a gambler and an anti-social individual, was spread upon the public records, and had been the subject of judicial inquiry of the Appellate Division of the Supreme Court.

The petitioner also pointed out that "If subject has been or is an associate of the owners, operators or employees of the Copacabana, or associated with Copacabana Incorporated in the conduct of unlawful enterprises, that fact is clearly relevant to a proceeding to revoke Copacabana license."

As pointed out by a special Deputy Commissioner of Investigations, City of New York, subject was called to testify as to a financial interest in a gambling casino owned, maintained and operated by certain officers, stockholders, and employees of Copacabana Incorporated, and by the said complaint, in association with the subject and other persons of evil repute.

On September 15, 1944, the subject in a deposition made application to vacate the subpoena, as it was issued in bad faith. He pointed out that his testimony was not needed in the Copacabana revocation license hearing. According to subject, it would not serve any useful or wholesome purpose. As a matter of fact, it would not benefit those seeking to revoke the Copacabana Corporate license, for he was never connected with the Copacabana or had any interest in it directly or indirectly. "I am

"not an officer, director, or stockholder of Copacabana Incorporated. I never had and have not now any interest, financial or proprietary or otherwise in Copacabana Incorporated".

On September 25, 1944, an order of Judge PECORA, granted a motion to adjudge subject in contempt.

On October 2, 1944, before a decision of appeal was reached, the Corporation Counsel of the City of New York, notified the Appellate Division, that the aforesaid proceedings pending against the Copacabana Incorporated, before the Deputy Police Commissioner, had been terminated. Accordingly, the subject matter of this controversy ceased to exist, and the issues became academic.

F. Places of Amusement and Hangouts
Frequented by Subject

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
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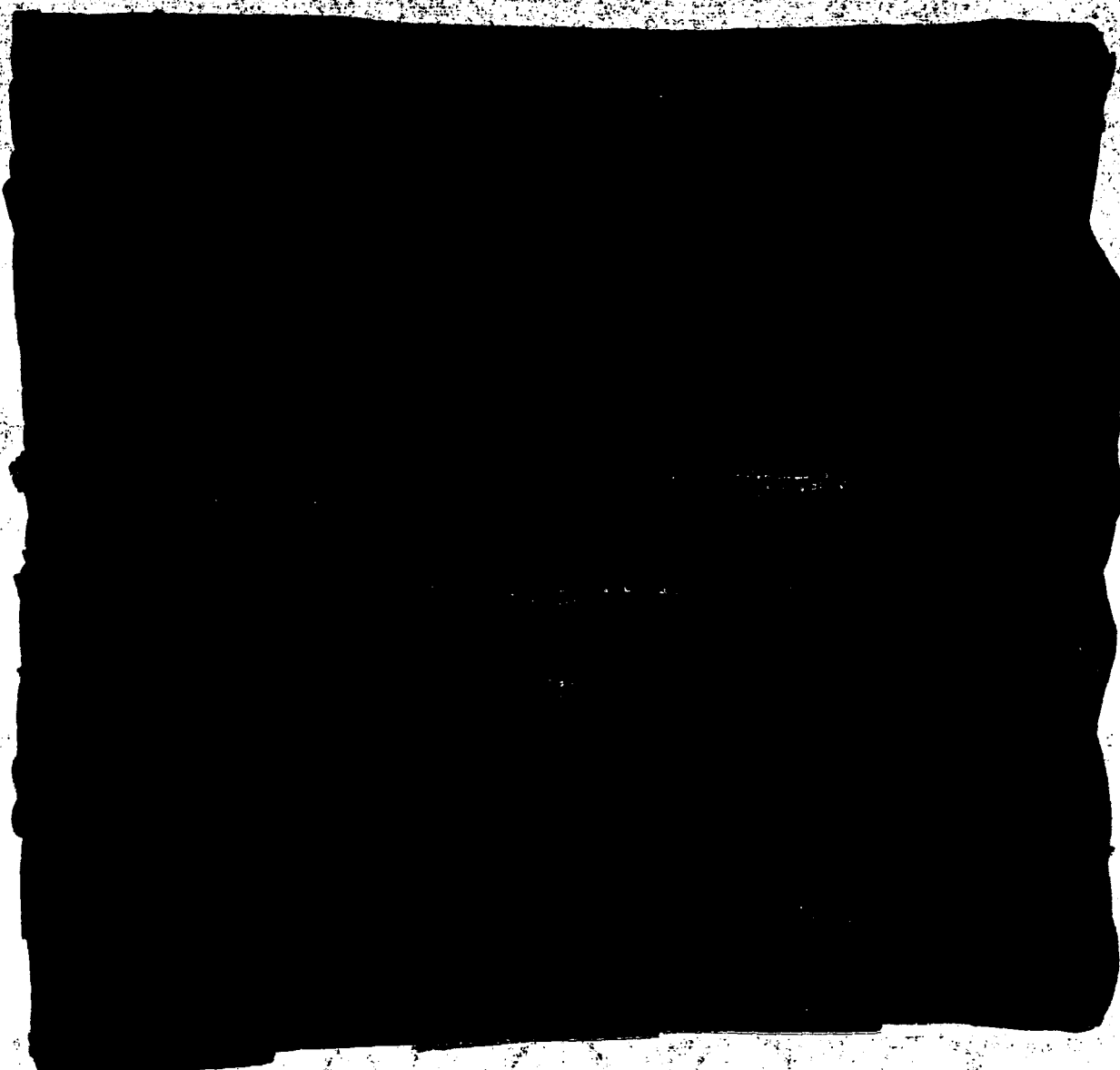
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NY 92-649



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In an article in the "New York World Telegram and Sun", of May 13, 1957, captioned "Epitaph for an Emperor, Costello, the Gentlemanly Hoodlum," in part, reflects the following:

"When the average American hears the name of Frank Costello, he pictures the deposed emperor of the crime cartel as a cruel, sinister image of evil. As a matter of fact, Uncle Frank could be mistaken for a prosperous well-dressed, civic-minded Italian businessman.

"In his mannerisms, he displays none of the qualities of an ex-convict. He speaks softly, dresses expensively but conservatively and is generally seen in the very best places. In his carefully selected company are some of the nation's best known lawyers, judges, politicians, and business leaders.

"With the power of his position, Costello has always reveled in the luxurious life of a millionaire, but he has never been a showoff.

"Costello is a strongly built man of average height. His short neck is perched on wide shoulders. When he mixes with the public, he gives the impression of a man who wants to be pictured as a rather kindly gentleman whose chief interest is in doing good for his friends.

"The Emperor was always proud, too, of his impeccable attire. Actually, his wardrobe has never consisted of more than 25 suits, all of them, however, faultlessly tailored. By the usual standards of hoodlum haberdashery, this was not extensive layout since other big shots in the business of crime have boasted of having more than 100 suits.

"The explanation, perhaps, is that Costello has always discarded suits at the close of a season and purchased new ones more often than most of his colleagues.

"He favors single-breasted suits of deep blue with a thin white stripe. His shirts, naturally, are custom made, with his initials on the left breast. His links, of quiet design, are either gold or platinum. He

NY 92-649

"delights in gleaming white shirts but will wear pastels on relatively informal occasions."

"His lust for color is evident in only one article of apparel, his neckties. He adores Countess Mara and Charvet originals which often are hand-painted riots of color. He feels, no doubt, that flashy neckwear stamps him as a man of taste in the eyes of his 'business' associates."

The "New York Post" in an article of May 12, 1957, stated that the subject loves fine food and fine living, and is not without a certain primitive charm. He selects his custom tailored suits with the conservatism of a well paid lawyer and hungers for a respect befitting his position. According to this article, no one has ever accused the subject of operating within narrow social limits, for he likes to entertain and he likes to bestow largess on the less fortunate.

According to the files of the United States Parole and Probation Office, Southern District of New York, as reviewed on January 21, 1958, the following was noted:

Subject was a light fiction reader.

He kept himself very clean.

He was a heavy reader of all types of literature, especially news periodicals.

He enjoyed sports as a spectator and played golf often.

He was very fond of movies and claimed golf as his only hobby.

INASMUCH AS THE SUBJECT WAS SENTENCED ON APRIL 15, 1915, TO THE NEW YORK CITY PENITENTIARY FOR ONE YEAR FOR POSSESSION OF A REVOLVER, AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, THE SUBJECT SHOULD BE CONSIDERED DANGEROUS.

I. Miscellaneous Information Relating to Subject

1. Health of Subject

The records of the Federal Detention Headquarters, New York City, as reviewed on January 28, 1958, contained the following Report of Medical History Examination of subject on May 14, 1956, at the United States Public Health Service Hospital, Staten Island, New York:

Diagnosis:

1. Arteriosclerosis of heart disease with mild anginal syndrome.
2. Chronic laryngitis with atrophy and paralysis of left vocal cord.
3. Hyperopia.
4. Presbyopia.
5. Rhinitis, chronic.
6. Benign nevus, temporal region.
7. Duodenal ulcer (by history with no evidence of activity at time of this examination.)
8. Right inguinal hernia.

2. Religion

The subject's file maintained by the United States Probation and Parole Office, Southern District of New York, as reviewed on January 21, 1958, contained an Admission Summary prepared on September 18, 1952, at the United States Penitentiary, Lewisburg, Pennsylvania.

This summary reflected that subject, by religion, is Catholic. At that time, he was a 59 year old married

NY 92-649

inmate who has received some religious training. His is a valid marriage, and his wife, a Catholic, is regular to her religious duties. The subject has attended Mass at times and states that he will do so while incarcerated at this institution. It was recommended that the subject attend Mass.

The Catholic Chaplain at the Federal Correctional Institution, Milan, Michigan, has advised that subject had attended church services since being incarcerated at the institution, and his interest in religion appeared to be good.

3. Registration for Military Service

An Admission Summary prepared on September 18, 1952, at Lewisburg, Pennsylvania, reflected subject had admitted he had been rejected for military service during World War I because of his arrest record.

67C The records of [REDACTED] as reviewed on January 23, 1958, by SA [REDACTED] reflected that FRANK COSTELLO, 115 Central Park West, New York City, registered under the Selective Service Act of 1940, at Local Board 24, New York City, on April 27, 1942.

[REDACTED]

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[REDACTED]

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5. Tax Liens Filed Against Subject

Federal Liens:

The records of the Registers Office, County of New York, Hall of Records, New York City, as reviewed on January

NY 92-649

21, 1958, reflected the following liens had been filed against subject and wife:

<u>Lien Number</u>	<u>Date Filed</u>	<u>By Whom</u>	<u>Amount</u>
F-262	January 18, 1956	District Director, Internal Revenue	\$10,201.35
F-857	February 17, 1956	District Director, Internal Revenue	\$16,836.73

These liens as of January 21, 1958, were still outstanding.

New York State Liens:

The files of the County Clerk, New York Supreme Court, New York County, New York, were reviewed on January 22, 1958. The Judgment Records reflected that the State Tax Commission, Albany, New York, had obtained the following judgments against FRANK COSTELLO or FRANK and LORETTA COSTELLO, 115 Central Park West, New York City, and that warrants had been issued:

<u>Date of Filing</u>	<u>Time of Perfecting</u>	<u>Amount</u>
December 19, 1955	December 16, 1955	\$10,806.60
Same	Same	83,683.80
Same	Same	96,491.84
December 28, 1956	December 26, 1956	2,017.89
March 23, 1955	March 21, 1955	2,022.69
January 17, 1958	January 16, 1958	3,210.76

67C [REDACTED] Clerk, County Clerks Office, New York Supreme Court, New York City, advised on January 22, 1958, that the above judgments are still outstanding against subject and wife. According to [REDACTED] no court action is necessary in order for the State Tax Commission to obtain a judgment in

tax matters, and no court action was had in these instances. He stated that these liens filed, are good for twenty years, they are still outstanding and have not been paid.

J. Description

The following is a description of subject as obtained from a recent personal observation of subject and as a result of investigation conducted:

Name
Aliases

FRANK COSTELLO - Summary
Francisco Castaglia, Frank
Castello, Francesco Castiglia
(true name), Francesco
Castiglio, Francisco Cataglia,
Francesco Costaglia, Murray
H. Hoffman, Frank Sampson,
Francesco Saverio, Frank
Saverio, Frank Stello

Race
Date of Birth

White
February 18, 1891
Cassano Ionico, Cosenza, Italy

Height
Weight
Hair

5'7½" - 5'8"
165 to 170 pounds
Dark chestnut, greying, receding
forehead and along sides combs
hair straight back

Eyes
Complexion
Scars and marks

Brown
Dark
Two moles right chin, scar
right temple

Build
Characteristics

Heavy
Has large nose, neatly dressed,
has been observed wearing black
horn-rimmed glasses, possibly
slightly hard of hearing,
suffers from chronic laryngitis,
disability to right big toe,
right foot, may wear special
shoes, wears a hat, raspy voice

Address

115 Central Park West
New York City
Apartment 18F
Subject has summer residence at
5 Barkers Point Road,
Sands Point, Long Island,
New York, a twelve room, red
brick house with white clapboard
wings.

Former Addresses

24 West 117th Street
New York City
September 23, 1944
222 East 108th Street
New York City
March 12, 1915
234 East 108th Street
New York City
March 26, 1923
405 Lexington Avenue
New York City - 1925
Graystone Hotel,
New York City - January, 1927
585 West End Avenue
New York City 1927 to 1930
65 Central Park West
New York City, 1930-1937
241 Central Park West
New York City, 1931 to 1937

Telephone Number
Occupation

TR 4-2325, Port Washington 7-5494
Subject has no known place of
regular employment. Subject has
stated he was a retired real
estate man and on other times
has stated he was "retired."

Social Security #
Religion
Principal Attorney

Not known
Catholic
GEORGE WOLF
509 Madison Avenue
New York City

FBI #
Relatives

936217
LUIGI CASTIGLIA, father,
died in 1922
MARIA ALOISE CASTIGLIA, mother,
died in 1940

NY 92-649

Relatives (cont'd)

LORETTA B. COSTELLO, wife,
same address as subject

EDWARD COSTELLO, brother, age
approximately 72,

21st Street

Astoria, New York

MAY COSTELLO MARCELINA (GILBIRDIE)

sister, age approximately 64,

address not known,

New Orleans, Louisiana

SADIE COSTELLO, sister,

died in 1936

CONCETTA COSTELLO, sister,

died in 1944

NY 92-649

A photograph of subject, front and side view, taken on May 14, 1956, at the Federal House of Detention, New York City, Number H 2884, was obtained from the Federal House of Detention, 427 West Street, on January 28, 1959. It is noted that this photograph of subject, as compared to a recent personal observation of subject, is a good likeness of subject.

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Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 6/25/58

FROM : SAC, NEW YORK (92-649)

SUBJECT: FRANK COSTELLO, was,
ANTI-RACKETEERINGRe Bureau letter to NY, 5/22/58, captioned "TOP
HOODLUM PROGRAM."Enclosed herewith are the original and two copies
of the report of SA [REDACTED] at NY, dated and
captioned as above.INASMUCH AS SUBJECT WAS SENTENCED ON 1/15/15, TO
WORKHOUSE, NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND
DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT
SHOULD BE CONSIDERED DANGEROUS.②-Bureau (92-2869) (Encl. 3)
4-New York (92-649)92-2869-41
REC-27 JUN 27 1958

REC-27

60 JUL 9 1958

100 Ret. and
destroyed
12/5/58

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 6/27/58

FROM : SAC, NEW YORK (92-649)

SUBJECT: FRANK COSTELLO, was,
ANTI-RACKETEERINGb7c
Re NY letter to Bureau, 6/6/58, with enclosed report
of SA [REDACTED] 6/6/58, NY.Enclosed herewith are the original and three copies
of a letterhead memorandum to be forwarded to the Legal Attache,
London, England, requesting that an appropriate inquiry be con-
ducted in London, England, concerning subject.INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/15, TO
WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND
DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT
SHOULD BE CONSIDERED DANGEROUS.cc of memo +
2 cc of ENC
To LEGAT, LONDON
FOR APP. ACTION 6-30-58
b7c②-Bureau (92-2869) (Encl. 4)
1-New York (92-649)
b7c

REC-58

EX-117

ENCLOSURE
REC-58
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60 JUL 8 1958

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EX-117

3



United States Department of Justice
Federal Bureau of Investigation
201 East 69th Street
New York, New York
June 27, 1958

Frank Costello,
Also known as Francisco Castaglia,
Frank Castello, Francesco Castiglia,
Francesco Castiglio, Francisco Cataglia,
Francesco Costaglia, Murray H. Hoffman,
Frank Sampson, Francesco Saverio,
Frank Saverio, Frank Stello

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D, [REDACTED]

67C,
D, [REDACTED]

For your information, Frank Costello has variously been characterized as a "gambler", "gangster", "hoodlum", and "Prime Minister of the underworld".

Frank Costello is described as white; born as Francesco Castiglia, February 18, 1891, Cassano Ionico, Cosenza, Italy; height, five feet, seven and one half inches; weight, one hundred sixty five pounds; hair, chestnut-graying; eyes, brown; occupation, "retired"; resides with his wife, Loretta B. Costello, at 115 Central Park West, New York City.

92-2869-42

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 6/27/58

FROM : *EJP* SAC, NEW YORK (92-649)

SUBJECT: FRANK COSTELLO, was,
ANTI-RACKETEERING

✓ **b7C** Re NY letter to Bureau, 6/6/58, with enclosed report of SA [REDACTED], 6/6/58, NY.

Enclosed herewith are the original and three copies of a letterhead memorandum to be forwarded to the Legal Attache, Havana, Cuba, requesting that an appropriate inquiry be conducted in Havana, Cuba, concerning subject.

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/15, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

1 cc of b7C +
2 cc of ENC. TO LEGAT, HAVANA
FOR APP. ACTION 6-30-58

[REDACTED] **b7C**

2-Bureau (92-2869) (Encl. 4)
1-New York (92-649)

[REDACTED] **b7C**
(3) **b7C**

ENCLOSURE
REC-58

92-2869-43

7-1-
JUN 30 1958

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60 JUL 8 1958

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RECEIVED
INVESTIGATIVE DIVISION
JUN 30 8 32 AM '58



United States Department of Justice
Federal Bureau of Investigation
201 East 69th Street
New York, New York
June 27, 1958

Frank Costello,
Also known as Francisco Castaglia,
Frank Castello, Francesco Castiglia,
Francesco Castiglio, Francisco Cataglia,
Francesco Costaglia, Murray H. Hoffman,
Frank Sampson, Francesco Saverio,
Frank Saverio, Frank Stello

[REDACTED]

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[REDACTED]

For your information, Frank Costello has variously been characterized as a "gambler", "gangster", "hoodlum", and as the "Prime Minister of the underworld".

Frank Costello is described as white; born as Francesco Castiglia, February 18, 1891, Cassano Ionico, Cosenza, Italy; height five feet, seven and one half inches; weight, one hundred sixty five pounds; hair, chestnut-graying; eyes, brown; occupation, "retired"; resides with his wife, Loretta B. Costello, at 115 Central Park West, New York City.

ENCLOSURE
92-2869-43

XXXXXX
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**FEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET**

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- ☒ Deletions were made pursuant to the exemptions indicated below with no segregable material available for release to you.

Section 552Section 552a☐ (b)(1)☐ (b)(7)(A)☐ (d)(5)☐ (b)(2)☐ (b)(7)(B)☐ (j)(2)☐ (b)(3)☒ (b)(7)(C)☐ (k)(1)☒ (b)(7)(D)☐ (k)(2)☐ (b)(7)(E)☐ (k)(3)☐ (b)(7)(F)☐ (k)(4)☐ (b)(4)☐ (b)(8)☐ (k)(5)☐ (b)(5)☐ (b)(9)☐ (k)(6)☐ (b)(6)☐ (k)(7)

- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
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F B I

Date: 7/17/58

Transmit the following message via AIRTEL

(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-2869)
FROM : SAC, NEW YORK (92-649)
SUBJECT: FRANK COSTELLO, was.;
AR

SA [REDACTED] ^{THAT} determined Federal Judge EDWARD J. DIMOCK, USDC, SDNY, this date signed an order directing surrender of COSTELLO to U. S. Marshal on Weds., 7/23/58.

Counsel for COSTELLO, in discussion before Judge DIMOCK, stated he had motion on behalf of COSTELLO pending before U. S. Supreme Court for an extension of bail.

Judge DIMOCK, in signing order, stated COSTELLO has right on 7/23/58 to make further motions for release if Supreme Court has not disposed of his motion or, if Supreme Court rules favorably on extension of bail, he will be permitted continued freedom under present bail.

FOSTER

3-Bureau (92-2869)
1-New York (92-649)

REC-34

59 JUL 25 1958

JUL 18 11 35 AM '58

JUL 19 1958

(5)
Approved: [REDACTED]
Special Agent in Charge

Sent [REDACTED]

F B I

Date: 7/23/58

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-2869)
FROM : SAC, NEW YORK (92-649)
SUBJECT: FRANK COSTELLO, was;
AR

67c
Federal Judge WILLIAM B. HERLANDS, USDC, SDNY, on A.M. of 7/23/58 signed an order permitting COSTELLO to remain free under his present bail until 7/30/58, pending the outcome of a motion he has before U. S. Supreme Court regarding an extension of his bail. On 7/30/58 a determination is to be made as to whether COSTELLO will be surrendered to the custody of the U. S. Marshal, to begin serving the unexpired part of a five-year prison sentence for tax evasion.

FOSTER

3-Bureau (92-2869)
1-New York (92-649)

REC- 54

92-2869-46

101 X

JUL 24 1958

53 JUL 31 1958

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

FEDERAL BUREAU OF INVESTIGATION

Reporting Office KANSAS CITY	Office of Origin NEW YORK	Date 7/29/58	Investigative Period 6/26, 27; 7/11, 25/58
TITLE OF CASE FRANK COSTELLO, Was.		Report made by SA [REDACTED]	Typed By [REDACTED]
		CHARACTER OF CASE ANTI-RACKETEERING	

Synopsis:

Liens totaling \$640,293.34 filed with Register of Deeds, Barton, Rice and Russell Counties, Ks., and Clerk, U.S. District Court, District of Kansas, in January and February, 1953. COSTELLO has working interests in oil wells, Rice and Barton Counties, Ks.

RUC

DETAILS:

The following investigation was conducted by SA [REDACTED]

AT WICHITA, KANSAS

On June 26, 1958, T-1 advised that liens had been filed on FRANK COSTELLO for income tax owing for the following years:

1941	\$ 19,605.16
1942	19,316.39
1944	211,677.59
1945	137,562.03

Approved

Special Agent
In Charge

Do not write in spaces below

Copies made:

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- 2-New York (92-649)
- 2-Oklahoma City
- 1-Kansas City (92-241)

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5 14 MAY 61 1972

92-	2869-	47	REC-1
13 AUG 1 1958			EX-10

66 AUG 19 1958

Liens were filed on the above amount at the following places:

Barton County Register of Deeds:	1-24-53	Lien Record 2, Page 2
Rice County Register of Deeds:	1-23-53	Misc. Record 33, Page
Russell County Register of Deeds:	1-23-53	Misc. Record 15, Page
Clerk, U.S. District Court:	1-23-53	

T-1 stated that liens were also filed against FRANK COSTELLO in the amount of \$39,645.80 on income taxes owing for the year 1946, at the following places:

Barton County Register of Deeds:	2-7-53	Lien Record 2, Page 2
Rice County Register of Deeds:	2-7-53	Misc. Record 133, Page
Russell County Register of Deeds:	No liens were forwarded from New York	
Clerk, U.S. District Court:	2-6-53	

T-1 stated that liens were filed against FRANK and LORETTA COSTELLO for income taxes owing for the following years:

1947	\$ 94,548.52
1948	59,147.21
1949	50,186.21
1950	<u>8,584.43</u>

TOTAL	\$212,486.37
-------	--------------

According to T-1, liens on the above amounts were filed at the following places:

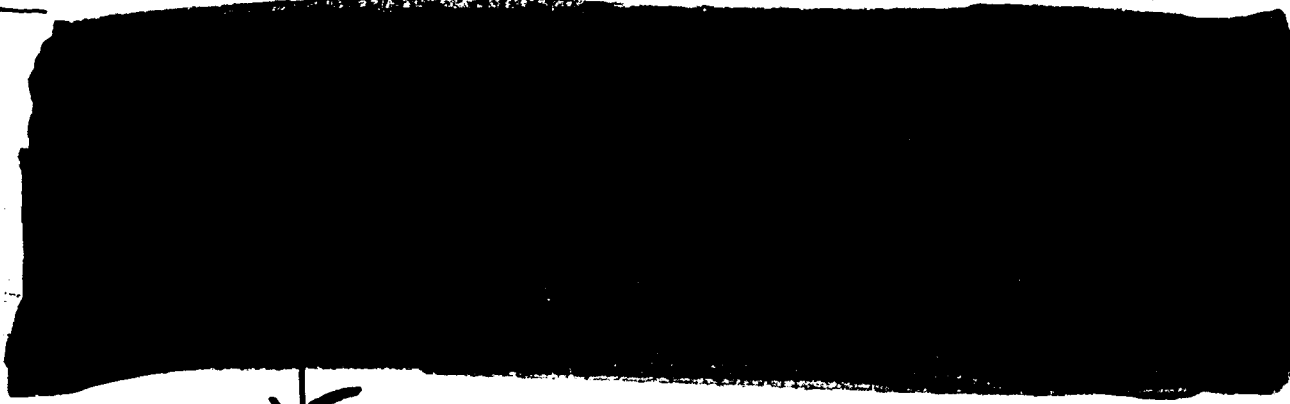
Barton County Register of Deeds:	2-7-53	Lien Record 2, Page 24
Rice County Register of Deeds:	2-7-53	Misc. Record 133, Page
Russell County Register of Deeds:	No liens were forwarded from New York	
Clerk, U. S. District Court:	2-6-53	

T-1 said liens were filed against COSTELLO in all the above listed counties as COSTELLO reportedly had an interest in an oil company in Russell County which later went broke. COSTELLO has a 9/16 working interest in the Cramm Oil well located in Rice

County and a $\frac{1}{2}$ working interest in the Batchman Well located in Barton County which is the reason for the liens being filed with the Register of Deeds in these counties. T-1 indicated that he has no knowledge of who the other parties are who have a working interest in these two wells, but that this information could probably be obtained by contacting the Bankoff Oil Company, 2535 Dawson Road, Tulsa, Oklahoma, the operating company for these two wells. T-1 said the last payment received by the Internal Revenue Service on the proceeds from these two wells was July 23, 1957 when \$299.86 was received.

T-1 said that in May 1953 the District Director, Upper Manhattan, New York, transferred to the District Director, Wichita, Kansas, for collection, a portion of the account in the amount of \$50,000 on the 1945 income tax of COSTELLO of which \$137,562.03 is delinquent. The balance of this \$50,000 as of June 26, 1958, is \$10,559.49, exclusive of interest accruing on the unpaid balance. The Internal Revenue Service allowed the two wells to be worked on recently in order that they could be made to produce more economically and according to T-1 the Internal Revenue Service expects to again start collecting on COSTELLO'S share of the proceeds of these wells. T-1 said that when the \$50,000 is paid off, the Internal Revenue Service District Director, Upper Manhattan, New York, may request the collection be made in another amount if the balance of COSTELLO'S account is not satisfied by then.

T-1 said that FRED B. ANSCHUTZ, a Wichita oil operator may be able to furnish information regarding the oil company with which COSTELLO may have been interested in Russell County in about 1953.



67C, D

The following investigation was conducted by SA [REDACTED]

AT TOPEKA, KANSAS:

On July 11, 1958, [REDACTED] U. S. Attorney's Office, advised that a search of the files of that office disclosed no information pertaining to the tax lien and judgment against subject. b7c

On July 11, 1958, [REDACTED] U.S. District Court, advised that the tax lien against subject in the amount of \$388,161.17, recorded on an index card in that office, would have undoubtedly been filed at the request of the Internal Revenue Service, Wichita, Kansas, and it was apparently filed through the office of the Deputy Clerk of the U. S. District Court, Wichita, Kansas. [REDACTED] advised that probably a letter from the District Director of Internal Revenue Service, Wichita, Kansas, requesting the recording of the tax lien, will be filed in a miscellaneous folder in the office of the Clerk's Office, Wichita, Kansas, and probably the office of the Internal Revenue Service should have details of the judgment against subject and the tax lien. b7c

RUC

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (92-2869)

DATE: July 29, 1958

FROM : SAC, Kansas City (92-241)

SUBJECT: FRANK COSTELLO, Was.
ANTI-RACKETEERING
OO-NY

b7c
Enclosed for the Bureau are two copies of report of SA [REDACTED] dated 7/29/58 at Kansas City.

Two copies each of this report are enclosed for the New York and Oklahoma City Divisions.

REFERENCES

Kansas City letter to New York dated 6/24/58
Report of SA [REDACTED] dated 6/6/58 at New York

b7c
INFORMANTS

T-1 referred to herein, is E. R. LORD, Chief, Special Procedure Section, Delinquent Accounts and Returns Branch, Collection Division, Office of District Director, U. S. Internal Revenue Service, Wichita, Kansas.

LEADS

OKLAHOMA CITY DIVISION

b7c
AT TULSA, OKLAHOMA

67D [REDACTED]
2-Bureau (Encl. 2) ENCLOSURE
2-New York (92-649) (Encl. 2)
2-Oklahoma City (Encl. 2)
1-Kansas City
b7c
(7)

EX-101

REG-25

92-2869-48
13 AUG 1 1958

66 AUG 19 1958

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 7/31/58

FROM : *7 to* SAC, NEW YORK (92-649)SUBJECT: FRANK COSTELLO, was,
AR

Re NY airtel to Bureau, 7/23/58.

Referenced airtel reflected that an order was signed on 7/23/58, in USDC, SDNY, permitting subject to remain free under his present bail until 7/30/58, pending the outcome of a motion he had before the US Supreme Court, regarding an extension of his bail.

For the information of the Bureau, it is noted that US Supreme Court Justice WILLIAM O. DOUGLAS, on 7/25/58, continued subject in \$25,000 bail, pending a Supreme Court decision for a motion for a retrial on his 1954 conviction of evasion of income taxes. The Supreme Court is not expected to act on the petition until the full court reconvenes in September, 1958.

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/15, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

2-Bureau (92-2869)
1-New York (92-649)

(3)

REC- 26

92-2869-49

3 AUG 1 1958

131
63 AUG 11 1958

b7c

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET6

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Section 552Section 552a☐ (b)(1)☐ (b)(7)(A)☐ (d)(5)☐ (b)(2)☐ (b)(7)(B)☐ (j)(2)☐ (b)(3)☒ (b)(7)(C)☐ (k)(1)☒ (b)(7)(D)☐ (k)(2)☐ (b)(7)(E)☐ (k)(3)☐ (b)(7)(F)☐ (k)(4)☐ (b)(4)☐ (b)(8)☐ (k)(5)☐ (b)(5)☐ (b)(9)☐ (k)(6)☐ (b)(6)☐ (k)(7)

- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

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FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN NEW YORK	DATE 8-5-58	INVESTIGATIVE PERIOD 6/10, 17-20 7/10, 14, 16, 21-23/58
TITLE OF CASE FRANK COSTELLO was.,		REPORT MADE BY [REDACTED]	TYPED [REDACTED]
		CHARACTER OF CASE ANTI-RACKETEERING b7c	

SYNOPSIS:

Resume of available information regarding ALEX LOUIS GREENBERG set out.

INASMUCH AS SUBJECT WAS SENTENCED ON APRIL 15, 1915, TO WORKHOUSE, NEW YORK CITY, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

- R U C -

APPROVED [REDACTED]	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:		92-2869-52	REC-41
② - Bureau (92-2869) 2 - Boston (92-136) 2 - Los Angeles (92-118) 2 - New York (92-649) 2 - Chicago (92-369)		21 AUG 7 1958	
		EX-128	

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50 AUG 19 1958

CG 92-369

DETAILS

At Chicago Illinois

The files of the Chicago Division failed to provide any information concerning either [REDACTED] or [REDACTED] and neither the records of [REDACTED] or the [REDACTED] provided any information concerning either of these persons. b7c

ALEXANDER LOUIS GREENBERG (1891-1955)

The following is a resume of information in Chicago Field Division files concerning ALEXANDER LOUIS GREENBERG:

ALEXANDER LOUIS GREENBERG was born December 10, 1891 at Yanove, Russia. He arrived in New York in 1905. He was a naturalized citizen of the United States, was married and had three children. He lived at the Seneca Hotel, 200 East Chestnut Street, Chicago, Illinois. He was registered for Selective Service with Local Board 143, which was located at 200 East Chestnut Street in 1942.

When GREENBERG arrived in the United States, he came to Chicago after a short stay in Brooklyn, operated a clothing house on Roosevelt Road, and later opened a saloon on 16th Street and Lawndale Avenue, and another at 4346 Lincoln Avenue. On May 21, 1921, Federal Officers raided an office at 4145 Washington Boulevard and arrested GREENBERG, with others, all being charged with conducting liquor traffic and being in possession of forged liquor permits. GREENBERG's saloons were closed.

FAMILY

Wife

ESTHER E. GREENBERG

Daughter

Father

JACOB GREENBERG,
1223 South Lawndale

Daughter

Son-in-law

Son-in-law

Daughter

Brother

Brother-in-law

Brother-in-law

Sister

(All Chicago addresses)

KNOWN BUSINESS INTERESTS

When DION O'BANION and HYMIE WEISS, gangsters and operators of the Manhattan Brewing Company for the Chicago Syndicate were killed by gunfire, GREENBERG moved into the Manhattan Brewing Company, representing CAPONE interests. The company was located at 3901 Emerald Avenue, and 3910-20 Union Avenue. Officers of the Manhattan Brewing Company were:

JOHN A. ROBERTS

President and Treasurer; a lieutenant in the United States Navy

EDWARD V. MELSHA

Vice President and Assistant Treasurer; from Battle Creek, Michigan

JACOB J. BJONTEGARD

Secretary; formerly auditor of the West Side Trust and Savings Bank.

ARTHUR C. LUEDER

Director; 636 Patterson Avenue, Auditor, State of Illinois

BENJAMIN ROSENBERG	Director; of the law firm, Rosenberg, Stein & Rosenberg
JOHN A. ROBERTS	Director; United States Navy
ALEX LOUIS GREENBERG	Director
IDA SCHULTZ	Director; daughter of LOUIS GREENBERG.

The Manhattan plant had a capacity of 2400 barrels of beer daily, and the trade name was "Old Manhattan" and "Canadian Ace" in bottles and kegs. This brewery was reported to be the largest brewery in the State of Illinois, and more than fifty percent of its production was exported out of the state. GREENBERG had allegedly stated that he owned fifty percent of the stock. It was believed that the Capone Syndicate of Chicago was the true owner of the brewery. The net worth of the plant was \$1,524,000.00 as of January 1, 1943.

Other business interests of GREENBERG included:

EMPIRE ORDNANCE COMPANY OF NEW YORK CITY

The President of this concern was FRANK COHEN. GREENBERG and one JOHN A. ROBERTS owned eleven percent of the Empire Ordnance Works, each owning five and one-half percent. The company was engaged in the manufacture of war materials described as airplane wings, deck guns, and armor plate for the United States and British Governments. The Empire Ordnance Company was a parent firm which controlled subsidiary ordnance manufacturing concerns.

CITY REALTY MANAGEMENT COMPANY - 3159 Roosevelt Road,
Chicago, Illinois

This was one of the older firms in which GREENBERG had been interested. There were fifty capital shares of stock in the company, valued in excess of \$20,000.00 of which GREENBERG owned thirty-five shares, and JOSEPH G. ENGERT, Manager, owned fifteen shares. The company controlled many apartment houses and business buildings, and had allegedly been used by GREENBERG as a coverup for receiverships of various foreclosures which he had handled for the State of Illinois through the Auditor's office.

SENECA HOTEL

Mr. GREENBERG had admitted controlling forty percent of the capital stock of the Seneca Hotel, 222 East Chestnut Street. The remaining thirty percent of the forty percent was owned by JOSEPH G. ENGERT.

KNICKERBOCKER HOTEL

GREENBERG admitted ownership of ten percent of the capital stock in the Knickerbocker Hotel.

TOWNE HOTEL

This hotel was formerly known as the Suburban Hotel, which was very famous as the CAPONE mobsters' hangout, and was also the location for the famous Paddock Club. This hotel was owned entirely by GREENBERG, and was managed by IRVING L. GINSBURG, as President and Treasurer, and PEARL EDELMAN, secretary. Miss EDELMAN was also secretary in the City Realty Management firm.

LAWNDALE THEATRE

This theatre was located at 4013 West Roosevelt Road, Chicago, and was managed by one CHARLES E. NELSON, 1321 Independence Boulevard. GREENBERG was the owner of this theatre, in partnership with Alderman JAKE ARVEY, and Attorney SAMUEL B. EPSTEIN.

ROAD THEATRE

The Road Theatre was located at 2735 West Roosevelt Road, and was owned by ALEX GREENBERG.

ALEX THEATRE

This theatre was located at 3800 West Madison Street, Chicago, and was owned by ALEX GREENBERG.

SYMPHONY THEATRE

The Symphony Theatre was owned by GREENBERG, and was managed by AARON GREENBERG.

5100 CORNELL APARTMENT BUILDING

This was a large apartment building that was owned by JOSEPH G. ENGERT of the City Realty Management Company, who represented GREENBERG's interest in Chicago, and Mrs. M. B. EVANS, wife of FRED EVANS, and SOL OPTNER, each owning one-third interest in this apartment building.

Major stock-holder is the PRIMA-BISMARCK BREWING Company, Chicago.

SWIFT-SURE BEER SERVICE, Chicago

CANADIAN ACE DISTRIBUTING COMPANY, Chicago and
Kansas City, Missouri

Gasoline filling stations at 76th and Greenwood and 82nd and Dobson, which stations were managed by GREENBERG's brother-in-law, CHARLES LOITZ.

According to newspaper accounts dated February 26, 1925, GREENBERG, with others, were arrested by United States Internal Revenue Agents in a million dollar Sibley Warehouse robbery where much liquor had been stored. GREENBERG at this time was termed one of the heads of the bootlegging syndicate operating throughout the United States.

At the death of DION O'BANION and HYMIE WEISS, GREENBERG took over the Manhattan Brewing Company. Since the O'BANION and WEISS killings, GREENBERG had allegedly been paying the widows of the slain gangsters \$50.00 a week until a cash settlement was made.

From persons interviewed it was ascertained that GREENBERG had never engaged in gunplay, although he had been affiliated with the CAPONE mob, and several informants had advised that GREENBERG, in their estimation, would top the list of known hoodlums in Chicago. He was known to be most unethical in his business practices and dealings, and was known to cheat for his own benefit at every opportunity. He had been closely associated with FRANK NITTI, deceased CAPONE hoodlum, and other members of the Capone Syndicate. According to GREENBERG's own statement he had borrowed more than \$80,00.00 from NITTI simply by signing an IOU, and had never paid NITTI any of the amounts loaned to him. GREENBERG

was reputed in numerous circles to be the financial front man for the Capone Syndicate, investing the gangsters' money in profitable, legitimate investments. He was said to have surrounded himself with some of the most highly respected men of the City of Chicago in the business world.

When interviewed by a Special Agent of the Chicago Office on January 1, 1943, GREENBERG stated that he could not write, with the exception of signing his name, and that he could not read, with the exception of reading numbers.

b7D [REDACTED]

GREENBERG was known to be very influential in State politics, and was said to be responsible for the election of ARTHUR C. LUEDER, State Auditor. GREENBERG allegedly had advised that he contributed \$20,000.00 to the LUEDER political campaign, however, he recently stated to an Agent of the Chicago Office that LUEDER was strictly a dirty politician and that he had contacted LUEDER only four or five times since the latter became Auditor of the State of Illinois.

It was learned by the Chicago Office, however, that GREENBERG had used the State Auditor on many occasions to manipulate certain crooked deals and that LUEDER was definitely obligated to GREENBERG as LUEDER received a salary of \$20,000.00 a year for the use of his name in conjunction with the Manhattan Brewing Company for a number of years. GREENBERG, through his various business holdings, had been acting as receiver for many closed banks and foreclosures by the State, for which he had received a great deal of profit from Auditor LUEDER's office.

With regard to political connections in the City of Chicago, it had been learned that GREENBERG had been successful in obtaining any goal he chose through his very close friend, Alderman JOSEPH ARVER, and Attorney SAMUEL B. EPSTEIN, a law partner of ARVER. It was known that

Alderman ARVEY and the officials of the City of Chicago had been very close in their political associations.

BARNET L. ROSSET, head of the Metropolitan Trust Company, Chicago, a politician, but not holding office, who was a very close friend of a certain member of a very prominent Washington, D. C. family, had on several occasions interceded for GREENBERG. Through these political connections GREENBERG had been known to obtain an interest in the Empire Ordnance Works in New York City, which was producing arms and ammunition for the United States Army and Navy.

ARTHUR GREENE, with offices at 887 Continental Bank Building, and residing at 179 East Lake Shore Drive, a multi-millionaire, having very good political and banking connections in Chicago, had served as an advisor and friend to GREENBERG in his business dealings with the hoodlums.

ASSOCIATES AND FRIENDS

ARTHUR ~~C.~~ LUEDER, 636 Patterson Avenue, ^{Chicago Ill.} formerly Post Master, City of Chicago, later State Auditor, State of Illinois, and Director of the Manhattan Brewing Company

Attorney BENJAMIN ~~X~~ ROSENBERG, 5519 Blackstone Avenue, Director of the Manhattan Brewing Company

^{Chicago Ill.} EDWARD B. ~~X~~ MELSHA, Vice President and Assistant Treasurer, Manhattan Brewing Company.

JOHN A. ~~X~~ ROBERTS, President and Treasurer, Manhattan Brewing Company. ^{Ill.}

JACOB S. ~~X~~ BJONTEGARD, Secretary, Manhattan Brewing Company. ^{Ill.}

JOSEPH G. ~~X~~ ENGERT, City Realty Management Company. ^{Ill.}

CHARLES E. ~~X~~ NELSON, 1321 Independence Boulevard, ^{Chicago Ill.} Manager, Lawndale Theatre. ^{Ill.}

Alderman JACOB M. ~~X~~ ARVEY. ^{Ill.}

Attorney SAMUEL B. ~~X~~ YERSTEIN, 1 North La Salle Street. ^{Ill.}

BARNET L. ~~X~~ ROSSET, Metropolitan Trust Company, ^{Ill.} 11 South La Salle Street ^{Ill.}

CG 92-369

N.Y.
FRANK ~~X~~ COHEN, President, Empire Ordnance Company,
New York City.

Ill. JOE ~~X~~ BUSCO, Gold Seal Liquor.

JOSEPH ~~X~~ ROSENBERG, Attorney, First National Bank
Building.

Ill. ISADOR ~~X~~ WOOL of the law firm, Ship, Wool & Rosenthal.


Ill. ARTHUR ~~X~~ GREENE, millionaire financier, 887 Continental
Illinois Bank Building. *Chicago, Ill.*

FRED ~~X~~ EVANS, 5000 Marine Drive. *Chicago, Ill.*

Ill. SOL ~~X~~ OPTNER, South Side Realty & Management Company,
Hyde Park Building, formerly receiver for Medinah Club.

HERBERT T. ~~X~~ SPIEBERGER, Vice President, American
National Bank and residence at 215 East Chestnut Street. *Chicago, Ill.*

All of the above friends and associates of GREENBERG
are all members of the Capone Syndicate, including AL and
RALPH CAPONE, PHILLIP D'ANDREA and others indicted in the
BIOFF case in New York; MURRAY HUMPHRIES, RALPH PIERCE, SAM
"GOLF BAG" HUNT, JACK GUZIK, HARRY GUZIK, TONY ACCARDO,
MARTY GUILIFOYLE, FRED MORELLI, Democratic Ward Committee
man on the First Ward of Chicago.

67D.

GREENBERG did not frequent the usual haunts of
the Capone organization, although he sometimes lunched with
members of the mob at GIBB KAPLAN's Restaurant on the second
floor at Clark and Lake Streets. All information available
in the Chicago Office indicated GREENBERG remained as
inconspicuous as possible, but handled the business dealings
of the syndicate.

Throughout Chicago Division files, many persons had been contacted in efforts to learn the complete extent and nature of GREENBERG's wealth. His income tax return for the year 1945 shows a reported income of \$138,527.45.

The following is set out as one type of newspaper story written about GREENBERG:

Chicago Daily Sun Times, 3 Star Final Edition, dated October 15, 1950, page 74, column 1 contained an article captioned "You Bet It's Sure-for Racketeers", date-lined Philadelphia.

The article stated that KEFAUVER and his colleagues hoped some of the amazing stories unfolded in Chicago, Kansas City, Miami, New York, Philadelphia, and other cities would serve as powerful lessons for people who bet.

A central figure in one of those stories was ALEXANDER LOUIS GREENBERG, a portly Chicagoan whose fortune was so high in the millions that it could not be estimated by anybody except himself.

He now owned or controlled Chicago's Seneca Hotel, the Canadian Ace Brewing Co., two books and probably enough real estate to solve the housing problem for years to come.

"LOUIE" as AL CAPONE used to call him, was an immigrant boy who started out selling hot dogs at Coney Island, came to Chicago, began a loan business, became the Capone gang's financial adviser, and prospered mightily, witnesses had testified.

The important thing about GREENBERG's wealth, as far as the committee's moral lesson and the chump's handy pocket guide are concerned, is that the source root of his money was gambling and other rackets, according to KEFAUVER committee testimony.

GREENBERG admitted that he was acquainted with the late Capone gang boss, FRANK NITTI, and that he had bought controlling stock in the Canadian Ace Brewing Company, which was formerly known as the Manhattan Brewery, from the estates of DINON O'BANNION and HYMIE WEISS, Chicago North Side gangsters, who were among the first victims of the Capone gang machinegunners.

CG 92-369

Asked about other rackets, the Chicagoan told KEFAUVER:

"Senator, if you can find I have anything to do with gambling, I wish you would see that I start getting my end out of it."

GREENBERG was shot to death on December 8, 1955, just after he had left a restaurant at 28th and Union, in Chicago. There was much newspaper speculation as to why he had been executed, and by whom. Probably the most illuminating information on the subject was that furnished by an informant of the Chicago Office, [REDACTED] b7D

[REDACTED] The Chicago papers said that GREENBERG was slain by unknown gunman, and the police never found any killer.

There was, however, newspaper and general underworld speculation as to the people responsible for GREENBERG'S death. One source described the killers as "members of a rising gang of younger hoodlums", and described these as "vicious wild men, who have been whooping it up recently in the extortion industry."

One newspaper article speculated upon the probable identity of the killers.

The article reflected that police believed that the top dogs were SAM "MOONEY" GIANCANA, formerly a handyman for TONY ACCARDO, and MARSHALL CAIFANO, who had gone west on a part-time basis. CAIFANO had been linked to hotel operations at Las Vegas, Nevada; however, he commuted frequently by air to Chicago. Other members of the gang included GUS ALEX, former bodyguard of JAKE GUZIK, SAM BATTAGLIA; ALBERT "OBIE" FRABOTTA, and FELIX (MILWAUKEE PHIL) ALDERISIO.

An article appearing in the "Chicago Sun Times" dated January 10, 1956, stated that GREENBERG was the fourth Capone era figure to be killed within eighteen months. The article reflected that Police Commissioner TIMOTHY O'CONNOR stated he believed there was a connection between the killings.

An interesting aftermath of the death of GREENBERG was the attempt made by the widow of former gang boss FRANK NITTI to get a share in his estate.

Chicago Sun Times, 4 Star Final Edition, dated February 16, 1957, page 8, column 1 contained an article titled "NITTI'S Widow Asks Recovery of \$2,000,000", stating that the widow of FRANK (THE ENFORCER) NITTI had demanded recovery of more than \$2,000,000 from the estate of the late ALEXANDER (LOUIE) GREENBERG, NITTI's onetime associate.

Mrs. ANNETTE NITTI had filed suit in Superior Court against the executors of GREENBERG's estate, asking a full accounting of cash and securities which she said her husband had turned over to GREENBURG.

In her suit, Mrs. NITTI alleged that 25 years prior to NITTI's suicide, NITTI entrusted cash and securities estimated to exceed 2 million dollars to GREENBERG, but that GREENBERG made only "a minor nominal payment" to the NITTI estate.

GREENBERG's three executors, Mrs. IDA SCHULTZ, his daughter, her husband ALLEN H. SCHULTZ, and GREENBERG's son-in-law, NATHAN SUGARMAN, contended that on September 1, 1944, GREENBERG paid \$64,300 to the NITTI estate, stating all claims against the GREENBERG estate had been satisfied.

Chicago Tribune, 3 Star Final Edition, dated March 4, 1957, page 22, column 4, part 1, contained an article captioned "Deny Slain Gang Adviser Cheated FRANK NITTI Heirs" reflecting that the executors of the estate of ALEX L. GREENBERG contended March 13, 1957, that there was no basis for the claim that GREENBERG fraudulently withheld substantial sums entrusted to him by FRANK NITTI, top Capone Syndicate who killed himself in 1943.

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UNITED STATES GOVERNMENT

DATE: 8-5-58

SUBJECT: FRANK COSTELLO, was.
ANTI-RACKETEERING

Enclosed herewith are two copies of the report of [REDACTED] dated and captioned as above.

REFERENCES

Salt Lake City letter to New York dated March 11, 1958.
Chicago letter to New York dated April 4, 1958.
Chicago letter to New York dated May 14, 1958.
Los Angeles letter to Bureau dated May 26, 1958.
Report of SA [REDACTED] dated June 6, 1958 at New York.
San Francisco letter to Bureau dated June 10, 1958.

LEADS

- 2 - Bureau (Encl. 2)
2 - Boston (92-136) (Encl. 2)
2 - Los Angeles (92-118) (Encl. 2)
2 - New York (92-649) Encl. 2)
2 - Chicago

REC- 41

21 AUG 7 1958

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REC- 41

CG 92-369

THE NEW YORK DIVISION

[REDACTED]

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INASMUCH AS SUBJECT WAS SENTENCED ON APRIL 15, 1915,
TO WORKHOUSE, NEW YORK CITY, FOR ONE YEAR FOR POSSESSION OF
A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS,
SUBJECT SHOULD BE CONSIDERED DANGEROUS.

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Office Memorandum • UNITED STATES GOVERNMENT

DATE: 8/19/58

TO : DIRECTOR, FBI (92-2869)

b7c FROM : SAC, NEW YORK (92-649)

SUBJECT: FRANK COSTELLO, was,
ANTI-RACKETEERING

For the information of the Bureau, a hearing on a motion by the Government to place the denaturalization proceeding against subject at the head of the Fall trial calendar, was postponed by Judge FREDERICK VAN FELT BRYAN, USDC, SDNY, on 8/19/58, until 8/26/58.

It is noted that a previous denaturalization proceeding was dismissed against subject on 4/7/58.

It is further noted that subject is free in \$25,000 bail pending a decision by the US Supreme Court on whether it will review subject's 1954 conviction for evasion of income tax.

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/55, TO WORKHOUSE, NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

2-Bureau (92-2869)
1-New York (92-649)

(3)

REC-91

92-2869-

EX-101

AUG 21 1958

AUG 25 1958

b7c

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (92-2869)

DATE: August 18, 1958

FROM : Legal Attache, London (92-2)

b7c SUBJECT: FRANK COSTELLO, was.
ANTI-RACKETEERING

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Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (92-2869)

DATE: 8/27/58

FROM : *fr* SAC, NEW YORK (92-649)SUBJECT: ⁰ FRANK COSTELLO, was,
AR

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For the information of the Bureau, arguments on a Government's motion to place the denaturalization proceeding against subject in a top place on the court calendar, were postponed until 9/3/58, by Judge JOHN W. CLANCY, USDC, SDNY, on 8/26/58.

INASMUCH AS SUBJECT WAS SENTENCED ON 4/15/15, TO WORKHOUSE NYC, FOR ONE YEAR FOR POSSESSION OF A REVOLVER AND DUE TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, SUBJECT SHOULD BE CONSIDERED DANGEROUS.

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FEDERAL BUREAU OF INVESTIGATION
FREEDOM OF INFORMATION/PRIVACY ACTS SECTION

SUBJECT: FRANK COSTELLO

FILE NUMBER: 92-2869 SECTION 7

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE NEW YORK	OFFICE OF ORIGIN NEW YORK	DATE 8/28/58	INVESTIGATIVE PERIOD 5/14, 16, 17, 19, 21, 28; 6/2-6, 9-12 16-20, 23-27, 30; 7/1, 2, 7, 9; 11, 17, 23, 25, 29-31; 8/1, 4-8, 11-15, 18/58
TITLE OF CASE FRANK COSTELLO, was, Francisco Castaglia, Frank Castello, Francesco Castiglia, Francesco Castiglio, Francisco Cataglia, Francesco Costaglia, Murray H. Hoffman, Frank Sampson, Francesco Saverio, Frank Saverio, Frank Stello		REPORT MADE BY [REDACTED]	TYPED BY [REDACTED]
		CHARACTER OF CASE b7c ANTI-RACKETEERING	

SYNOPSIS:

Subject continues to reside with his wife, LORETTA B. COSTELLO, in Apt., 18F, Majestic Apartments, 115 Central Park West, NYC. Subject has no known regular place of employment.

Concerning the subject's 1954 conviction for evasion of income taxes, the US Court of Appeals, 2nd Circuit, SDNY, on 5/20/58, unanimously upheld decision of USDC, SDNY, denying subject's application for new trial. US Supreme Court on 6/30/58, refused to review lower court's decision rejecting subject's motion for new trial. Court orders for subject to surrender to USM, SDNY, on 7/17, 23, 30/58, to resume serving sentence, postponed. US Supreme Court Justice, WILLIAM O. DOUGLAS, on 7/25/58, signed an order which continued subject free on \$25,000 bail, pending action of the

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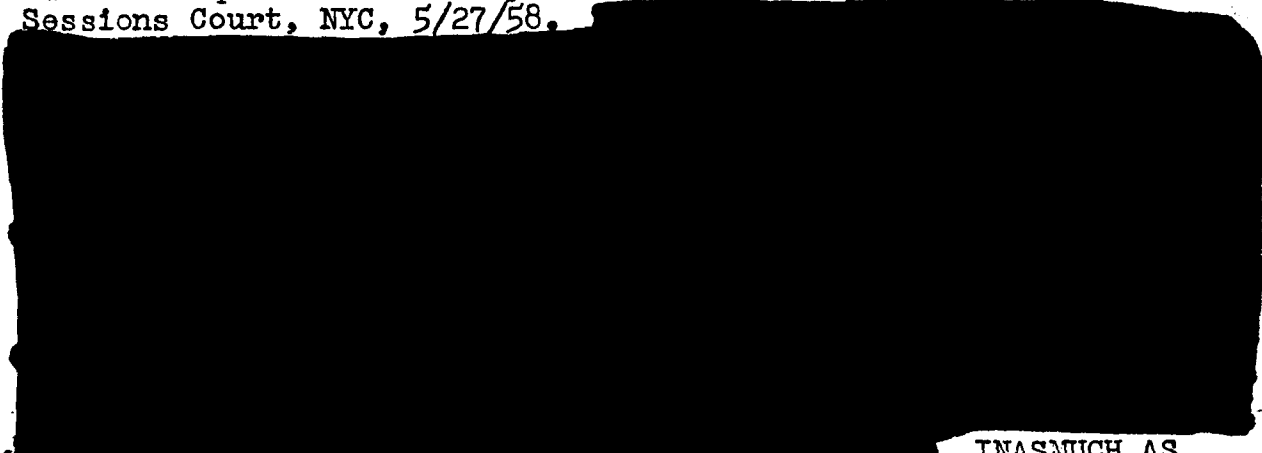
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2-New Orleans (92-41)
1-Oklahoma City (92-107)
1-Salt Lake City (92-263)(Info.)
1-San Francisco (92-53)

(Synopsis contd.)

court upon a petition for rehearing. The US Supreme Court dismissed Government's denaturalization case against subject on 4/7/58, as Government had failed to file on time, an affidavit "of good cause". Government reinstituted denaturalization proceedings against subject in USDC, SDNY, on 5/1/58. Motion for an October trial to be heard on 8/19/58. VINCENT L. GIGANTE acquitted of attempted murder of subject in General Sessions Court, NYC, 5/27/58.

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INASMUCH AS
THE SUBJECT WAS SENTENCED ON 4/15/15, TO THE NYC PENITENTIARY
FOR ONE YEAR FOR POSSESSION OF A REVOLVER, AND DUE TO HIS
REPORTED ASSOCIATION WITH TOP HOODLUMS, THE SUBJECT SHOULD BE
CONSIDERED DANGEROUS.

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DETAILS:

At New York, New York

A. Personal History and Background

1. Residence

[REDACTED]

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The subject was observed by SA [REDACTED] as he left his residence 115 Central Park West, New York City, and entered a taxi cab at 10:10 AM on July 29, 1958. The subject at this time was alone when he left his residence and when he entered the taxi cab, and the taxi cab proceeded downtown on Central Park West.

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It is noted that information has been previously reported to the effect that the apartment building in which subject resides was possibly in process of becoming a cooperative apartment building.

Investigation conducted on August 5, 1958, at the Register's Office, New York County, 131 Chambers Street, New York City, reflected that the building located at 115 Central Park West, New York City, is designated in these records as being located in Block 1124, Lot 27. This building extends on Central Park West from 71st Street to 72nd Street, extends 225 feet on 72nd Street, extends 187 feet six inches on 71st Street and extends 204 feet and four inches on Central Park West.

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The records reflect under deed number C3955, ^{property} this/ was deeded on July 2, 1958, by the New York Majestic Corporation, grantor, to the 115 Central Park West Corporation, 115 Central Park West, New York City, grantee.

The Records of Mortgages reflect under serial number M6038, that 115 Central Park West Corporation was the mortgagor in the amount of \$999,685.50. The records reflect this transaction as having taken place on July 2, 1958.

Further inquiry was made on August 5, 1958, in the Register's Office, and information was obtained to the effect that in the event the building located at 115 Central Park West, New York City, becomes a cooperative building, the records of this office will only reflect the name of the owner of the building and would not reflect the names of the owners of the individual apartments in this building. Information was further received that there would be no records reflecting ownership of individual apartments.



Investigation conducted on August 5, 1958, at the County Clerks Office, New York : County, New York City, reflected that file number 75136 contained information as to the incorporation of 115 Central Park West Corporation. The Certificate of Incorporation of 115 Central Park West Corporation was filed in the New York Department of State, Albany, New York, on August 23, 1957. The purpose for which this corporation was formed was to purchase the premises located at 115 Central Park West, New York City. The primary purpose of this corporation was to provide homes for its stockholders by leasing to them under leases now known as proprietary leases, apartments in the building, or buildings on said premises, and each of its stockholders shall be entitled solely by reason of its ownership of stock

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in the corporation, to a proprietary lease entitling him to occupy for dwelling purpose, an apartment in the building under said lease. No stockholder shall be entitled, either conditionally or unconditionally, to receive any distribution out of earnings and property of the corporation except on a complete or partial liquidation of the corporation.

The capital stock of \$10,000 consisted of 100,000 shares of a par value of ten cents per share. Directors of this corporation are listed as NORMAN E. KING, CLIFFORD G. ROWLAND, and MARTIN F. KELLY, each owning one share and residing at 115 Central Park West, New York City.

It is noted as previously reported that Miss KATHRYN FITZGERALD, 425 Cherry Street, Elizabeth, New Jersey, according to realty records of Nassau County, New York, on September 14, 1956, obtained an assignment of mortgage in consideration of \$100 on the subject's residence at 5 Barkers Point Road, Sands Point, New York.



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B. Massachusetts

It is noted that information concerning RAYMOND L. S. PATRIARCA has previously been reported in New York reports in instant matter.

The Boston Office advised on June 27, 1958, that there has been no substantial amount of additional information developed, other than that previously reported. There is no current information relating to any association between FRANK COSTELLO and RAYMOND PATRIARCA, at this time.

However, in view of PATRIARCA's alleged activities in the gambling and booking businesses, as

NY 92-649

well as allegations that he might be involved in narcotics, and because of allegations that he had a great deal of control over these elements, it may be assumed that he knows or knew FRANK COSTELLO, either as an individual or through some business association. This, however, cannot be substantiated at this time. It is to be noted that RAYMOND PATRIARCA is the subject of a top hoodlum investigation by the Boston Division.

b7C [REDACTED] It is noted that information concerning [REDACTED] previously been reported in New York reports in instant matter.

The Boston Office advised on June 27, 1958, that in reference to any association [REDACTED] allegedly had with FRANK COSTELLO, there is no information available which would so reflect. There is no current information reflecting [REDACTED] was associated in any way with COSTELLO's alleged operations or that he knew him more than possibly having been merely introduced to him if such occasion did occur. b7C b7C

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4. Current Associates

On August 4, 1958, SA [REDACTED] b7C
observed ANTHONY CARFANO standing outside the Drake
Room, Hotel Drake Bar, 440 Park Avenue, New York City.
He was observed at approximately 5:00 PM and he
appeared to be waiting for someone. At approximately
5:10 PM, CARFANO was observed seated inside the Drake
Room, sitting at a table in the rear with FRANK
COSTELLO. They were observed seated alone and appeared
to be conversing with each other.

It is noted that ANTHONY CARFANO is
currently under investigation as a top hoodlum
in the New York Office. It is further noted that
information concerning CARFANO has previously been
set out in New York reports in instant matter.

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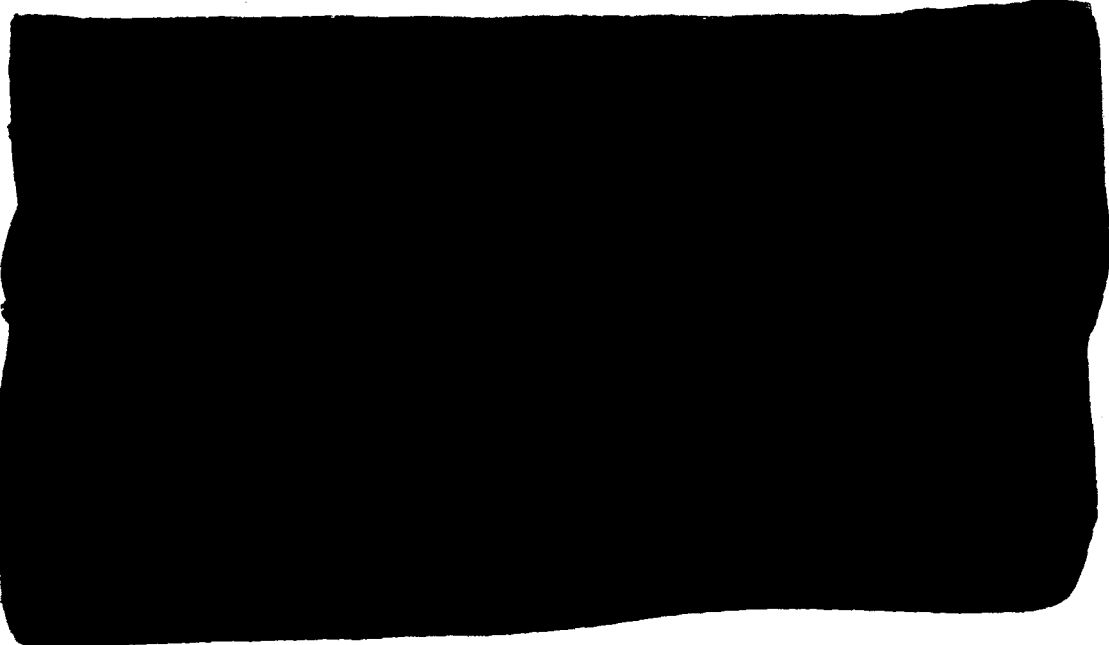
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It is noted that information concerning the above-mentioned individuals has previously been set out in New York reports in instant matter.

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C. Criminal Activities

1. Legal Actions Involving Subject

a. Income Tax Matters

It is noted, as previously reported, that subject was sentenced by Honorable JOHN F. X. MC GOHEY,

NY 92-649

Southern District of New York, on May 17, 1954, to a term of five years and was fined \$30,000 for unlawful evasion of income taxes in violation of Section 145 (b), Title 26, United States Code - Attempt to Defeat and Evade Income Taxes for the Years 1946 through 1949.

It is noted, as previously reported, that on March 14, 1958, subject through his attorney EDWARD BENNETT WILLIAMS argued before the United States Court of Appeals, Second Circuit, Southern District of New York, in an effort to have his 1954 conviction set aside in favor of a new trial.

An article in the "New York Times" of May 21, 1958, reflects that:

"Frank Costello yesterday lost his appeal for a new trial as an income-tax dodger. The United States Court of Appeals unanimously upheld a decision of Federal Judge John F. X. Mc Ghey.

"The Appeals Court struck down the contention of the gambler that the Government had used tainted wiretap evidence to convict him, had illegally conducted a mail watch and had inspected tax returns of prospective trial jurors, thereby precluding a fair trial for him.

"United States Attorney Paul W. Williams said he would move shortly to remand Costello to prison to complete his five-year sentence for tax evasion. The gambler, who is expected to take the case to the United States Supreme Court, has been free in \$25,000 bail. Bail was granted after he had served eleven months.

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"The Appeals Court opinion, written by Judge Carroll C. Hincks and concurred in by Chief Judge Charles E. Clark and Judge Stephen W. Brennan, dismissed Costello's wiretap charges because of 'lack of diligence'.

"The court said Costello was aware that his telephones were tapped in 1943 by District Attorney Frank S. Hogan. However, his trial counsel never made any effort to discover whether the Government's evidence had been illegally obtained through wiretaps, Judge Hincks said.

"'Since we conclude,' Judge Hincks wrote, 'that for lack of diligent discovery and seasonable objection the wiretap evidence does not constitute grounds for a new trial, it is unnecessary to discuss the vigorously disputed issues as to whether any of the prosecution's evidence was obtained by wiretaps and so the extent of its impact on the verdict.'

"The Supreme Court has ruled that evidence or leads obtained from wiretaps are tainted and not admissible in a Federal trial. United States authorities are not permitted under Federal law to use wiretaps to obtain information.

"In dismissing the mail watch charge, Judge Hincks said:

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"It is undisputed that the mail watch here in question was never taken out of the Post Office prior to delivery, or that it was ever opened. Nothing more was done than to record the information carried on envelopes addressed to the appellant. We think this does not come within the prohibition against 'taking' a letter or prying into another's secrets or business as used in the statute."

"Judge Hincks said the United States Attorney had a right to ask for a screening of tax returns of prospective jurors. He denied that this would result in a 'specially conditioned' jury. He denied further that such practices would intimidate future jurors.

"Since none of the jurors in this case had knowledge of the practice," Judge Hincks found, "there is utterly no basis for the contention that it resulted in a jury specially conditioned to convict or was otherwise biased or prejudiced against the defendant."

"Costello's appeal was opposed by Chief Assistant United States Attorney Arthur H. Christy. Edward Bennett Williams argued for the gambler."

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An article appearing in the "New York Times" of June 17, 1958, reflects that:

"The United States Court of Appeals unanimously granted a motion yesterday for Frank Costello to remain at liberty in \$25,000 bail pending review of his income tax evasion case by the Supreme Court."

According to an article in the "New York Times" of July 1, 1958, by-line Washington, D.C. June 30, 1958, it reflects in part:

"Frank Costello today lost his third effort to set aside a 1954 conviction for evading \$28,532 in Federal income taxes.

"The Supreme Court refused to review a lower court decision rejecting the New York gambler's motion for a new trial.

"In New York, Chief Assistant United States Attorney Arthur H. Christy said the Government would move immediately for Costello's surrender 'the moment that the Supreme Court's mandate' was received by the United States Court of Appeals. The process usually takes about twenty days.

"Costello had been fined \$30,000 on three tax-evasion counts and sentenced to five years in prison. Because he has been admitted to bail during various appeals, he has served only eleven months in jail so far.

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"The Supreme Court twice before agreed to review the case, but each time it affirmed the conviction. In 1956 it rejected Costello's argument that the indictment be set aside for lack of sufficient evidence before the grand jury. Last year it turned down a contention that he should have been sentenced under a misdemeanor rather than a felony statute.

"Late in 1956 Costello moved for a new trial. Federal District Judge John F. X. McGohey turned him down, and the United States Court of Appeals for the Second Circuit unanimously affirmed the decision. It was the Second Circuit decision that the Supreme Court today refused to review."

The "Herald Tribune" of July 12, 1958, stated in part that:

"Arthur H. Christy, Acting United States Attorney, yesterday said he had received a copy of the June 30 mandate of the United States Supreme Court denying a review of Frank Costello's tax conviction. Mr. Christy said he would order Costello to appear in United States District Court next Thursday and that he then would ask the court to remand Costello to finish serving his five-year sentence."

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SA [REDACTED] b7c determined on July 17, 1958, that Federal Judge EDWARD J. DIMOCK, United States District Court, Southern District of New York, on July 17, 1958, signed an order directing the surrender of subject to the United States Marshal on Wednesday, July 23, 1958. Subject's attorney in discussing before Judge DIMOCK stated that he had a motion on behalf of subject pending before the United States Supreme Court for the extension of subject's bail. Judge DIMOCK, in signing the order, stated that COSTELLO has the right on July 23, 1958, to make further motions for release if the United States Supreme Court has not disposed of his motion or if the Supreme Court rules favorably on extension of bail, he would be permitted to be continued in freedom under his present bail.

An article appearing in the New York "Daily News" on July 18, 1958, reflected that:

"Mobster Frank Costello, in Federal Court yesterday, won at least a six-day delay in his surrender to finish serving a five-year stretch for ducking \$28,000 in U.S. income taxes. He was convicted in 1954 and did 11 months before his release in \$25,000 bail in March, 1956.

"Costello was granted the postponement on the argument of his lawyer, Edward Bennett Williams, who said he had asked the U. S. Supreme Court for a rehearing of the case.

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"Acting U. S. Attorney Arthur Christy told Judge Edward Dimock that 'while the order calls for Costello's surrender today, it is within the court's discretion to postpone the surrender until next Wednesday. If the Supreme Court decision is not down by then, the defendant can come in for further relief.'

"Nattily dressed in a gray suit, white shirt and red and black tie, Costello listened attentively as the lawyers argued. He smiled affably to newsmen as he left court."

On July 23, 1958, an article appeared in the New York "World Telegram" to the effect that:

"Gambler Frank Costello today won in Federal Court another one-week postponement of his surrender to resume serving a five-year term for income tax evasion, pending a decision by the U. S. Supreme Court on whether or not that court will review his case.

"Costello was not in court when one of his attorneys, Morris Shilensky, 120 Broadway, told the court Supreme Court Justice William O. Douglas had not yet acted upon an application before the court for a review of the gambler's case.

"Costello, 66, was continued free in \$25,000 bail."

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An article in the "New York Times" on July 26, 1958, reflected that:

"Supreme Court Justice William O. Douglas signed an order in Washington yesterday continuing bail for Frank Costello. This apparently means an end to the Government's effort at this time to return the gambler to jail for the remaining four years of an unexpired term for tax evasion.

"He will probably be free in \$25,000 bail until the Supreme Court reconvenes in the fall.

"Acting United States Attorney Arthur H. Christy said here that his office would 'study the situation to determine its next step.'

"Justice Douglas acted on a motion from Costello's lawyer Edward Bennett Williams, requesting that his client be freed in bail pending a Supreme Court decision on a petition for a rehearing.

"Mr. Williams has been sparring with Mr. Christy over the surrender of Costello this summer. On June 30, minutes after the Supreme Court had refused to review a lower court decision rejecting Costello's motion for a new trial, Mr. Christy announced that he would move immediately to remand the gambler to jail.

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"Costello appeared in Federal court here on July 17 in response to a Government order. He was convicted in 1954 of evading \$28,500 in 1948-49 Federal income taxes. He was fined \$30,000 and sentenced to five years in prison. After serving eleven months, he was released in bail.

"The question of surrender was postponed because of Mr. Williams' appeal for a continuance of bail. Now that the continuance has been granted Costello cannot be expected to surrender for at least several months more.

"The 66-year-old gambler is making his fourth approach to the Supreme Court on this case alone. In 1956 the court rejected his argument that the indictment should be set aside for lack of evidence. Last year it turned down a contention that he should have been sentenced under a misdemeanor rather than a felony statute. In June the court disposed of the new trial appeal.

"On another question, the Supreme Court granted him temporary relief earlier this year. That ruling concerned an order stripping Costello of his citizenship on the ground that it had been obtained fraudulently. The court set the order aside on April 7 on a technicality. The Government moved immediately to start a new denaturalization proceeding against him."

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Criminal docket number 141-9, pertaining to subject's income tax conviction, was reviewed in the Clerk's Office of the United States District Court, Southern District of New York, on July 31, 1958, and the following information was noted:

On June 3, 1957, the United States Supreme Court on A. Writ of Certiorari to the United States Court of Appeals, Second Circuit, ordered and adjudged that the motion for hearing be denied and judgment of the United States Court of Appeals in this cause be affirmed.

On March 11, 1957, the subject was released on bail pursuant to an order of the United States Supreme Court pending hearing and determination of his appeal to the United States Supreme Court.

On April 11, 1957, an order of the United States District Judge RICHARD H. LEVET, granted enlargement of bail limits to subject to permit him to travel to Washington, D.C., so as to consult with his attorney, who maintains an office in Washington, D.C. It was ordered that bail limits, as prescribed in bail bond executed on March 11, 1957, be extended to permit the subject to travel to Washington, D.C.

It is noted that the bail bond executed on March 11, 1957, on subject in the amount of \$25,000, was issued by the Public Service Mutual Insurance Company, 10 Columbus Circle, New York City, as surety. This bail bond indicated that subject was restricted to the Southern District of New York.

On September 19, 1957, an amended motion for a new trial on the grounds of newly discovered evidence was filed in the Office of the Clerk

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of the United States District Court. This motion requested the court to set aside the verdict returned on May 13, 1954, and the judgment entered therein on May 17, 1954, which judgment became final on March 5, 1956, upon affirmance of the Supreme Court of the judgment of the Court of Appeals, Second Circuit, entered on April 5, 1955, affirming this court's judgment and to grant a new trial on grounds of newly discovered evidence. This motion reflected material evidence had been obtained through the use of information gained by tapping the wires of subject's telephone, and that material evidence had been obtained through the unlawful interference of the subject's mail. He also stated that the United States Government had available to it the contents of unlawful public telephone conversations between the subject and his counsel concerning their preparation of subject's defense.

It is noted that subject's attorney of record was listed as EDWARD BENNETT WILLIAMS, 1000 Hill Building, Washington, D.C.; however, Attorney MORRIS SHILENSKY of the law firm of Hayes, St. John, Abramson and Heilbron, 120 Broadway, New York City, was an associate attorney of Mr. WILLIAMS.

On December 18, 1957, Judge JOHN F. X. MC GOHEY then noting that an order having been entered denying subject's motion to vacate and correct the sentence, an appeal having been taken to the United States Court of Appeals, and court having affirmed, an application having been taken from said affirmance to the United States Supreme Court, which court affirmed the judgment of the Court of Appeals, a copy having been filed on July 1, 1957, the judgment of the United States Supreme Court is therefore the judgment of this court.

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Judge Mc GOHEY further ordered that the subject personally surrender to the United States Marshal, Southern District of New York, at 3:30 PM on December 23, 1957.

On December 23, 1957, the subject appealed to the United States Court of Appeals from an order entered on December 16, 1957, denying an appeal by subject for a new trial based on newly discovered evidence, the original sentence having been imposed on May 17, 1954, for a term of two years on two counts to run concurrently, and a fine of \$10,000 on each count.

On January 20, 1958, the subject filed a further amended motion for a new trial on the grounds of newly discovered evidence. The motion, however, set out as grounds for a new trial the same as those previously mentioned.

On May 20, 1958, the United States Court of Appeals affirmed the order of the United States District Court, denying subject a new trial, which was argued on March 14, 1958.

On July 17, 1958, an Order On Judgment adjudged that the judgment of the United States Court of Appeals be made the judgment of the United States District Court, and further ordered that the subject personally surrender to the United States Marshal, Southern District of New York, at 10:30 AM on July 23, 1958.

An Order of the United States Supreme Court, Number 1047, October Term, 1957, FRANK COSTELLO

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Petitioner, versus United States of America, dated July 22, 1958, signed by WILLIAM O. DOUGLAS, Associate Judge of the Supreme Court of the United States, ordered that petitioner be admitted to bail upon the posting of good and sufficient bail bond in amount of \$25,000, pending the action of this court upon the petition for rehearing in the above-entitled case.

On July 29, 1958, FRANK COSTELLO appeared before United States District Judge JOHN M. CASHIN, Southern District of New York. Surety bond was executed in the amount of \$25,000. FRANK COSTELLO, 115 Central Park West, New York City, principal, and Public Service Mutual Insurance Company, 10 Columbus Circle, New York City, was surety on this bond. The limits of this bail bond stated that COSTELLO shall not depart the jurisdiction of the District Court of the United States for the Southern District of New York without leave.

b. Attempt to Denaturalize Subject

It is noted, as previously reported, that the Government's case in an effort to denaturalize the subject was pending before the United States Supreme Court. On April 8, 1958, the United States Supreme Court threw out the subject's case on the grounds that a document called an "Affidavit of Good Cause" showing the Government's evidence against the accused had not been filed on time.

Civil docket number C-79-309 was reviewed in the Office of the Clerk of the United States District Court, Southern District of New York, on August 1, 1958, and the following information is noted:

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The Supreme Court of the United States, Number 494, October Term, 1957, in an action, FRANK COSTELLO, Petitioner, versus United States of America, on a Writ of certiorari to the United States Court of Appeals, Second Circuit, ordered that the judgment of the United States Court of Appeals in this cause be reversed and the cause be remanded to the United States District Court, Southern District of New York, with direction to dismiss the complaint. "An Affidavit of Good Cause is a prerequisite to the institution of denaturalization proceedings". The affidavit must be filed with the complaint when the proceedings are instituted. This order was signed on April 7, 1958.

An "Order With Notice of Settlement" reflects that "plaintiff having appealed to the United States Court of Appeals for the Second Circuit from the order of judgment entered herein on October 23, 1956, dismissing plaintiff's complaint without prejudice, and the United States Court of Appeals for the Second Circuit having on July 22, 1957, entered this judgment reversing the judgment of this court and having remanded the action to this court in accordance with the opinion of said United States Court of Appeals, and defendant having thereupon petitioned the Supreme Court of the United States for a Writ of Certiorari to review said judgment of the United States Court of Appeals and the United States Supreme Court having on April 7, 1958, granted said petition and having at the same time reversed the judgment of the Court of Appeals and remanded this case to this court with a direction that it dismiss plaintiff's complaint, and a copy of said United States Supreme Court judgment having been filed herein, it is hereby ordered adjudged and decreed that plaintiff's complaint be and the same hereby be dismissed." This order was dated May 29, 1958, signed by Judge JOHN F. X. MC GOHEY, United States District Court, and this judgment was entered in the records of the Clerk's Office, United States District Court, on May 31, 1958.

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Civil docket number 133-28 was reviewed on August 1, 1958, in the Clerk's Office, United States District Court, Southern District of New York, and the following information is noted:

A complaint, dated May 1, 1958, was filed on the same date in the Clerk's Office, United States District Court, against FRANK COSTELLO for violation of Title 8, United States Code, Section 1451 (a). This action seeks to revoke and set aside the order of this court entered on September 10, 1925, admitting FRANK COSTELLO to United States citizenship and to cancel certificate of naturalization number 2136470, issued by this court to FRANK COSTELLO on September 10, 1925, on the grounds that the order and certificate of naturalization were procured by the concealment of material facts and by wilful misrepresentation.

In substance, the wilful misrepresentations, as outlined, are as follows:

1. In subject's Preliminary Form for Naturalization, he falsely stated his occupation was "real estate", whereas in fact his occupation was illegal purchase and sale of alcohol.

2. Subject falsely testified under oath as to the above facts.

3. Subject's Form For Naturalization listed HARRY C. SAUSSER as a witness whose occupation was listed as "real estate", that SAUSSER had personal knowledge of subject's good character, whereas in truth, subject knew HARRY C. SAUSSER was engaged with him in the illicit purchase and sale of alcohol, and he knew that he, the subject, was likewise engaged in the illicit purchase and sale of alcohol. Also that SAUSSER, therefore, knew that COSTELLO was not a person of good moral character.

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4. Subject falsely stated in his Preliminary Form for Naturalization that the only other name by which he had ever been known was FRANCISCO CASTIGLIA, where^{as} in truth and fact, he had also used the name of FRANK STELLO and FRANK SAVERIO.

5. Subject falsely stated under oath in his Petition For Naturalization that he would defend and support the Constitution and laws of the United States and bear true faith and allegiance to the same, whereas, at that very time, he was violating the laws of the United States and of the State of New York by engaging in the illicit purchase and sale of alcohol, and by failing to file and pay federal and state taxes.

6. Subject falsely stated under oath to the naturalization examiner that he never had been arrested for or convicted of any crime, when in fact, he had been arrested on May 6, 1908, for the offence of robbery, on October 20, 1912, for the offence of robbery, on March 19, 1915, for unlawful possession of firearms, on May 20, 1919, on a charge of larceny, and had been convicted on April 5, 1915, for unlawful possession of firearms for which he had been sentenced to the State Penitentiary for one year.

This file contained information to the effect that subject's wife, LORETTA, was born in New York City on May 2, 1899, and that they have no children.

Subject's Declaration of Intention, Number 306461, dated March 26, 1923, reflects that FRANK COSTELLO, age 32, whose occupation was listed as that of a broker, was born in Cosenza, Italy, on January 26, 1891. His address at that time was 234 East 108th Street. He immigrated to the United States from

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Naples, Italy, via an unknown vessel, his last residence prior to coming to the United States was Cosenza, Italy, and he arrived in the United States at New York on April 2, 1895.

Subject's Petition For Naturalization, dated May 1, 1925, reflected that FRANK COSTELLO, 2450 Broadway, occupation "real estate", arrived at New York on April 2, 1895. Witnesses were listed as FRANK A. GOSS, occupation real estate, 8725 Ackroyd Avenue, Jamaica, Long Island, New York, and HARRY C. SAUSSER, occupation real estate, Huntington, Long Island, New York. Both persons swore they had known FRANK COSTELLO since January 1, 1920, and that FRANK COSTELLO was a person of good moral character.

On September 10, 1925, subject took an Oath of Allegiance to the United States and became a citizen of the United States on September 10, 1925.

It is noted that subject's Preliminary Form For Petition For Naturalization listed his name as FRANK COSTELLO and also FRANCISCO CASTIGLIA. His mother's maiden name was listed as MARY SAVERIO ALOISA. He was born in Cosenza, Italy, on January 26, 1891, resided at 2450 Broadway, New York City, and his occupation was "real estate". He arrived in New York City as a passenger destined to LOUIS CASTIGLIA, New York City, and he traveled with MARY SAVERIO ALOISA CASTIGLIA, and MAY CASTIGLIA. Subject was married to LORETTA, last name not indicated, on September 23, 1914.

It is noted that this file contains Photostats of various other records concerning the subject and the following is noted:

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An "Affidavit of Robbery", Court of General Sessions, County of New York, in which GUISEPPE DIONISIA, 512 East 156th Street, age 21, occupation coal business, stated that on April 25, 1908, there was feloniously taken, stolen and carried away from his person by force and violence against his will, money valued at \$17.50, stolen and carried away by JOHN, last name illegible, FRANK COSTELLO, PETER DALLO and FRANK LAFORGIA. This property was taken from him at about 10:00 PM on said date, while he was in his coal celler, 1017 Washington Avenue. The above said individuals entered his celler and demanded money from him, and upon his refusal to comply with their demands, LAFORGIA knocked him down and took from his pocket some small change in the amount of \$2.50, and while he was on the ground struggling with his assailants, COSTELLO struck him with a hammer over his head and the remaining \$15.00 was taken from his hip pocket.

In the City Magistrate's Court, Sixth District, First Division, County of New York, FRANK COSTELLO was examined on May 6, 1908. He gave his name as FRANK COSTELLO, age 17, having been born in the United States, his address was given as 236 East 108th Street, New York City, where he had resided for four years. He at this time gave his occupation as "pianos". COSTELLO was asked to state any facts which he believed would lead to his exculpation. COSTELLO answered, "I am not guilty". This record reflects that "there being no sufficient cause to believe the within named defendants guilty of the offense within mentioned", they were discharged on May 8, 1908, by City Magistrate P. KORNOCHEN.

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An "Affidavit of Robbery" in General Sessions Court, County of New York, also City Magistrate's Court, First District, reflects that PHILOMENA SORGI, 2957 First Avenue, age over 21, occupation, housewife, stated in this affidavit on October 16, 1912, that there was feloniously stolen from her by force and violence by FRANK COSTELLO, acting to consort, with several other individuals, names not identified, took from her money valued at \$1,655.00 and jewelry valued at \$220.00. She stated in this affidavit that approximately 9:30 a.m. on October 16, 1912, she was going to the bank with above mentioned property and was walking along 108th Street, near Third Avenue, when she was set upon in front of 235 East 108th Street, by several male persons and that these individuals pinioned her arms behind her and the property was taken from her possession. This affidavit reflects that two of the individuals fled into apartments at 230 East 108th Street, with her property and she pursued the individuals. She was intercepted by defendant, FRANK COSTELLO, in the hallway who held her back and he stated to her that he would pursue the robbers. She accused COSTELLO then and there of being an accomplice and COSTELLO did not deny the accusations and he then disappeared.

Officer DONDORO of the Detective Bureau, arrested COSTELLO and found him in possession of \$260.00 for which COSTELLO could not account and that he also had one \$10.00 gold piece, six of said gold pieces having been taken from her at the time of the robbery.

FRANK COSTELLO was duly examined before City Magistrate PAUL KROTEL on October 20, 1912. COSTELLO furnished his name as FRANK COSTELLO, age 21, born in the United States, resided 222 East 108th Street, and had resided at this address for 17 years, and that he was by occupation a pipefitter. COSTELLO was requested

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to state any facts which he believed might tend to his exculpation. His answer, "I am not guilty". COSTELLO was discharged on October 23, 1912, after Magistrate KROTEL on October 22, 1912, found no sufficient cause to believe he was guilty of the offense.

These records also contained a Photostat reflecting that the Grand Jury of the Court of General Sessions, County of New York, indicted FRANK SAVERIO, on March 11, 1915, who was then over the age of 16, inasmuch as he feloniously did have and carried concealed, upon his person, a certain pistol and a certain revolver without a license for either as prescribed by Section 1897 of the Penal Law.

FRANK S. HOGAN, District Attorney, filed the indictment on March 16, 1915, charging COSTELLO with criminally carrying a pistol. SAMUEL GOLDSTEIN is indicated as being the attorney for COSTELLO.

Subject appeared in court before Honorable EDWARD SWANN, Court of General Sessions, New York County. He stated his name was STELLO, inasmuch as his father's name was STELLO and his mother's name was SAVERIO. Attorney for subject, GOLDSTEIN, related in court that subject had been known by the name STELLO for a number of years, he had recently been married, he then had a mother 65 years of age, his father was 72 years of age, and that his mother and father, at that time, had no other means of support except by subject. Furthermore, he was in business in a neighborhood which he understood there were "characters" around there and the subject had this revolver for the purpose of protection of his place of business.

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The court found that in 1908, seven years prior, subject was arrested for assault and robbery and in that case he was discharged. The court found that in 1912, the subject again was arrested for assault and robbery and was also discharged. According to the court, "in these cases, he gave the name of FRANK COSTELLO. In this case he gives the name of FRANK SAVERIO and I have looked him up and I find that while there are a good many letters in regard to him, nevertheless, I find his reputation is not good, on the contrary, it is bad."

Subjects attorney stated that "he informs me that one of these cases was when a pocket book was stolen while he was in the presence of his family and both cases were cases on suspicion. I feel, your honor, that the young man probably was not up to the mark in his younger days, but since he has been married, he started in business."

Court, "What business?"

Attorney, "They started a cafe."

Court, "What is his business?"

Attorney, "He is a pipefitter. He was a pipefitter up until two years ago. His father was in the grocery business for a number of years and the defendant worked for him as a clerk."

Before the court pronounced sentence, the attorney stated to the court from information he had received from the defendant, from his friends, and from his father and mother, "this young man, in his younger days, has not lead the life he should have lead, but now, since he is married and started to make a living, he is willing to go with his brother and his brother will

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give him employment and I ask your Honor to be as light with him as you can."

The court stated, "I find appeals were made for him even in those assault and robbery cases. One case was, he assaulted and robbed a woman going to the bank with \$16,000.00. Now, I commit him to the penitentiary for one year and this is the last time appeals will do him any good. In other words, appeals have ceased to do him good up to this time."

The defendant stated, "Will your Honor give me another chance?"

The court stated, "You have had chances for the last nine years and these chances have to cease sometime."

The defendant stated, "You could put me on probation as long as you like."

The court stated, "I have not spoken of something which I have here among the papers and which I need not speak of. I have gotten it right from his neighbors that he has the reputation of being a gunman and in this particular case, he certainly was a gunman and he had a very beautiful weapon and he was thoroughly armed, prepared to do the work of a gunman and he was charged on two other occasions with doing the work of a gunman, and somehow, or other, got out of it."

The defendant stated, "Your Honor, I took the plea just because I was in prison for one month and I wanted to avoid trouble being I was a married man, but the revolver was not found on me, it was found 100 feet away from me."

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The court answered, "That is right and they saw you throw it there. The officers followed you and saw you throw the gun away and they first captured you and then took you back and got the gun. In other words, your actions were those of a guilty man in every particular. I sentence you to the penitentiary for one year. The law says seven years in the State Prison."

This file contains an "Affidavit of Larceny" dated May 23, 1919, City Magistrate's Court, City of New York, Borough of Queens, First District, Second Division. This affidavit reflects that PETER MOREA (partially legible), 320 East 22nd Street, Manhattan, age 47, occupation ice dealer, at 9:15 a.m., on May 19, 1919, had feloniously taken from his possession \$100.00 in money by FRANK COSTELLO, LOUIS LASHER and VINCENT RAO. This money was taken from him from the left side pocket of his pants at Belvedere Park, Central Beach, in Queens.

This affidavit reflect that Patrolman GEORGE BEISSELL of the 111th Precinct, apprehended the defendants and found upon the person of FRANK COSTELLO, the sum of \$102.00 in denominations of eight \$10.00 bills, one \$20.00 bill, and two single \$1.00 bills, and that MOREA stated that the money taken from him consisted of eight \$10.00 bills, and one \$20.00 bill.

FRANK COSTELLO at that time resided at 125 West 116th Street, he was 28 years of age, having been born in Italy.

LOUIS LASHER resided at 121 West 111th Street, was 31 years of age, having been born in Russia.

VINCENT RAO resided at 231 East 107th Street, was 21 years of age, having been born in Italy.

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City Magistrate JAMES J. (illegible) on June 14, 1919, entered an order that there being no sufficient cause to believe the defendants were guilty of the offense mentioned, he ordered them discharged.

In the new action by the United States Government, in an effort to denaturalize the subject, a summons was served on subject on May 5, 1958, by the United States Marshal's Office, while subject was in the Waldorf Astoria Hotel Barber Shop.

The subject, through his attorney, EDWARD BENNETT WILLIAMS, 1000 Hill Building, Washington, D. C., and MORRIS SHILENSKY, member of the firm of Hayes, St. John, Abramson, and Heilbron, 120 Broadway, New York City, filed his answer on July 8, 1958. Subject pointed out in his answer that the complaint filed by the Government fails to state a cause of action against him. He pleaded that some claims were barred by res judicata and laches and that some allegations constituted legal conclusions. His answer also reflected that Section 340 (a) of the Immigration and Naturalization Act of 1952, 66 Stat., 260. 8, United States Code, Section 1451 (a), on its face and as applied to him, is invalid in that it constitutes ex-post facto legislation and deprives him of rights guaranteed by Article III, and the due process clause of the 5th Amendment to the United States Constitution. He also pointed out that the complaint and the affidavits annexed thereto, are based upon evidence secured in violation of Section 605, of the Communications Act of 1934, 48 Stat, 1103, 47, United States Code, Section 605.

A article appearing in the "Long Island Daily Press" of August 13, 1958, reflected that the United States Government is impatient to make FRANK COSTELLO an ex-citizen and deport him, because time's a-wasting and Government witnesses are getting older."

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"Assistant United States Attorney MORTON S. ROBSON told Federal Judge JOHN CLANCY in Manhattan yesterday that one witness against the Squire of Sands Point is 80, two are 76, one 70, and two others are in their 60's."

"Gambler COSTELLO, who has a summer place in Sands Point, is no spring chicken himself, at 65, the prosecutor pointed out."

"ROBSON asked the court to set a trial date in October. No date has yet been set. The motion for an October trial will be heard next Tuesday."

"COSTELLO is accused of having lied in his 1925 application for naturalization about a previous criminal record and the use of aliases."

"The denaturalization proceedings against COSTELLO have been in and out of the courts since 1952, owing to various legal technicalities."

"Every additional delay of the trial in this action increases the possibility of the loss to the Government of some of its key witnesses by death or infirmity," ROBSON told the court."

c. Attempt on Subject's Life

It is noted, as previously reported, that VINCENT L. "The Chin" GIGANTE, of 134 Bleecker Street, New York City, was sought by the New York City Police Department (NYCPD) on an attempted murder charge until his surrender on August 19, 1957. He pleaded innocent on August 29, 1957, to indictment charging him with attempted murder in the shooting of FRANK COSTELLO, on May 2, 1957. He was released on \$100,000 bail on September 18, 1957.

NY 92-649

An article appearing in the "New York Journal American" of May 14, 1958, reflected that the District Attorney will start presenting evidence today in General Sessions against VINCENT GIGANTE, 30, charged with attempted first degree murder of gambler FRANK COSTELLO.

"Judge JOHN A. MULLEN remanded GIGANTE to The Tombs yesterday after an all-male jury had been chosen. He had been free in \$100,000 bail."

"GIGANTE, of 134 Bleecker Street, was arrested last Fall in connection with the assassination attempt on COSTELLO."

An article appearing in the "New York Herald Tribune" on May 13, 1958, reflected that the trial of VINCENT L. (Chin) GIGANTE on a charge of attempting to murder FRANK COSTELLO re-opened in General Sessions yesterday with the selection of four jurors.

"The trial first began two weeks ago and one juror was selected at that time, but he was excused yesterday because of the lapse of time. The first juror selected yesterday, and therefore automatically foreman of the panel, was HAYWARD T. CARTER, a letter carrier, of 244 West 149th Street. The trial was delayed to allow defense counsel MAURICE EDELBAUM to complete another case."

"The other jurors sworn in before Judge JOHN A. MULLEN were ARTHUR CLOHISSIE, Investment Broker of 1215 Fifth Avenue; JAMES R. WARRICK, a Postal Clerk of 470 Convent Avenue, and SAMUEL C. GOODRICH, JR., Manager of a theatrical studio management firm, of 66 West 55th Street."

NY 92-649

"GIGANTE, a thirty-year-old hoodlum and former professional boxer, lives at 134 Bleecker Street in Greenwich Village. He is accused of creasing COSTELLO'S skull with a .38 caliber slug the night of May 27, 1957, as COSTELLO crossed the foyer of the Majestic Apartments, in which he lives, at 115 Central Park West.

"Currently, GIGANTE is free in \$100,000.00 bail. He appeared calm and assured in court yesterday, despite the fact that he faces a maximum sentence of twenty-five years if convicted.

"Assistant District Attorney ALEXANDER HERMAN said as the trial re-opened that he expected the state would present fifteen witnesses-one of them FRANK COSTELLO-in the course of the week."

"COSTELLO, the big-time gambler, wasn't in court yesterday. He has insisted he doesn't know who shot him or why. GIGANTE, a small-time gambler, has said he has no idea what the shooting was all about, either."

The "New York Daily News" in an article on May 15, 1958, reflected that "the gunman followed gambler FRANK COSTELLO into the lobby of the apartment house, then won his attention by saying, 'This is for you, FRANK.' As the millionaire racketeer turned, the gunman fired a single shot. The bullet tore a bit of flesh from above COSTELLO'S right ear. His assignment bungled, the assassin ran outside to his double-parked auto and sped south on Central Park West."

"This was the story of the attempt on COSTELLO'S life, at 11 p.m., May 2, 1957, as related by the prosecution

NY 92-649

to an all-male jury in General Sessions yesterday. Accused of being the gunman, and charged with attempted first degree murder, was ex-boxer VINCENT L. GIGANTE, 29."

"The first important witness put on the stand by Assistant District Attorney ALEXANDER HERMAN was PHILIP KENNEDY of 320 West 67th Street, who was with COSTELLO up to the moment before the shooting."

"KENNEDY said he had known COSTELLO for about a year and had encountered him at 6 o'clock the night of the shooting in Chandler's Restaurant, 49 East 49th Street. Later, he accompanied COSTELLO to L'Aiglon Restaurant, 13 East 55th Street."

"There, they joined COSTELLO'S wife, WALTER MILLER, an employee of the New York Enquirer, and "young PORP," whom KENNEDY identified as owner of the Enquirer, (GENEROSO POPE JR. is publisher of the Enquirer.) About three hours later, he and COSTELLO went to the Monsignore Restaurant, 61 East 55th Street."

"At 10:40 P.M., the two left together. COSTELLO got out at his residence, the Majestic Apartments, at 115 Central Park West."

"As the cab moved away with KENNEDY, a shot rang out."

"It sounded like a large firecracker," the witness said. He said he got out of the cab, paid the driver and ran to the lobby of the building."

"As he did so, he heard the roar of an auto engine and saw what looked like the tailfin of a Cadillac speeding southward, KENNEDY testified."

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"In the lobby I saw Mr. COSTELLO and he was bent and holding his head," KENNEDY said, adding that two building employees "stood in utter panic" to one side."

"Was there blood?" asked Judge JOHN A. MULLEN. "

"Yes, there was," replied KENNEDY. He then told of hiring a taxi and taking COSTELLO to Roosevelt Hospital. "

"Defense Counsel MAURICE EDELBAUM then started cross-examination of the witness. He directed GIGANTE to stand up. EDELBAUM then asked KENNEDY whether, at any time on May 2, 1957, he had seen GIGANTE. "

"No, I did not," said KENNEDY. "

On May 16, 1958, an article in the "New York Daily News" reflected that "in surprise testimony, the florid-face, bespectacled doorman of the Majestic Apartments, 115 Central Park West, yesterday told General Sessions Judge JOHN A. MULLEN and a jury that he saw VINCENT L. (The Chin) GIGANTE shoot kingpin gambler FRANK COSTELLO on May 2, 1957. GIGANTE is charged with attempted murder. "

"The identification of the hulking 29-year-old GIGANTE, a former boxer who lives at 134 Bleecker Street, as the attempted assassin was made by NORVAL KEITH, 55, a Queens resident, who has lived at an East Side hotel since last August - presumably under police protection. "

"Never in the year since COSTELLO'S scalp was bullet-creased in the lobby of the Majestic, where he lives, had authorities disclosed that they had a witness who definitely would finger GIGANTE as the attacker. "

"To make the dramatic identification yesterday, KEITH left the witness stand to approach GIGANTE and point him out at close range. "

NY 92-649

"I", said KEITH, 'heard this man say, ' This is for you, FRANK.' The next thing I witnessed, he raised his right hand and fired a shot."

"KEITH'S testimony was given under questioning by Assistant District Attorney ALEXANDER HERMAN."

"HERMAN brought out that KEITH can see only lights and shadows with his left eye but has excellent vision in his right eye. Judge MULLEN lent an assist, too."

"Mr. KEITH," said the judge, 'look at the clock at the rear of the courtroom and tell me what time it is!'"

"12:05," said the witness."

"Let it be noted for the record that the clock is 60 feet from the witness," said MULLEN."

"Chronologically, this is the account KEITH gave:"

"An employee of the apartment house for 22 years, KEITH said, he opened a taxi door for COSTELLO and PHILIP KENNEDY, a model agency executive, on the night of the shooting. COSTELLO walked into the lobby. KENNEDY tarried outside."

"I saw a big, dark car double-parked near 72nd Street," said KEITH. 'A big man got out of it, brushed past me and went into the lobby. I looked inside after him."

"It was then, KEITH said, that he heard the gunman say, 'This is for you, FRANK,' and shot him."

NY 92-649

"The doorman said the assailant then ran out to his car and drove away. Next, he testified, he and KENNEDY both rushed into the lobby."

"The doorman said he and JAMES LYNDON, another employee, tried to get a doctor and an ambulance by phone but had no luck, so he, KEITH, flagged a cab at COSTELLO'S suggestion. The cab took COSTELLO to the hospital."

"MAURICE EDELBAUM, defense attorney, tried to shake KEITH'S story without success. "

On May 21, 1958, the "New York Herald Tribune" contained an article which related that "an aggressive FRANK COSTELLO (Counselor, if you please, don't raise your voice at me!) insisted yesterday he had no idea who shot him - or why - last year"

"Even as the gambler in his gravel-mixer voice gave that testimony in General Sessions at the trial of his alleged assailant, VINCENT L. "Chin" GIGANTE, the United States Court of Appeals unanimously denied the erstwhile bootlegger's bid to upset his 1954 income-tax conviction. For that he is under a five-year sentence and is free on bail, after having served eleven months. He is expected to appeal to the United States Supreme Court."

"The sixty-eight-year-old COSTELLO was unaware of this turndown while testifying, possibly for the first time in his life, as a prosecution witness - who did not harm the defense. But he did delight in raking up a pet hate when asked about his illegal activities, especially the running of slot machines here in the early 1930s. Under cross-examination by defense counsel MAURICE EDELBAUM, the witness ruefully recalled:"

"I was shut down by the Administration."

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"You mean LA GUARDIA?"

"That's right! He violated an injunction that I had restraining him! He committed a crime in doing it!"

"Judge JOHN A. MULLEN smiled. The all-male, blue-ribbon jury smiled. And even GIGANTE, twenty-nine, who is charged with the attempted murder of COSTELLO, smiled. Usually, GIGANTE yawns."

"This, COSTELLO testified, is what happened when he stepped into the street-floor foyer of his home at 115 Central Park West shortly before 11 p.m. of May 2, 1957, after he left his wife "BOBBY" to listen to string music in an East Side restaurant:"

"I heard the shots. It sounded like a firecracker to me at the time. I hesitated."

"Here the witness hesitated briefly, sucked on his teeth, twirled his horn-rimmed black glasses, ran his highly polished fingers through his still mostly dark brown hair. And then:"

"I didn't pay much attention at the moment - till I felt something wet on the side of my face."

"The witness put his right hand to the side of his face, the .38 caliber bullet having creased his skull above his right ear:"

"It was blood. Then I knew I was shot."

"But COSTELLO, called to testify as the unwilling official 'complainant' and 'corpus delicti' in the case, insisted that he never saw his assailant. He was equally adamant that he was shot from the rear - despite the testimony of a police ballistics expert and a doctor who treated him at the time that the bullet came from the front."

NY 92-649

"To that end, COSTELLO, acting as a dummy for himself, was asked both by Assistant District Attorney ALEXANDER HERMAN and Mr. EDELBAUM to put on the hat he wore that night and which is in evidence."

"It has two holes in it - and according to this expert previous testimony - the bullet came in from the front and went out toward the rear."

"But COSTELLO, with a cardboard tag falling over his nose and another tag tickling the back of his neck - the tags contain the exhibit number and were attached to the beat-up hat - insisted the shot came from the rear - and that was why he did not see the would-be assassin. As for GIGANTE, COSTELLO swore he never saw him in his life before yesterday."

"Defense counsel EDELBAUM shouted: "

"Isn't it a fact you know who shot you?"

"Absolutely not!"

"Over the years you had a lot of disagreements with people in the underworld - isn't that a fact?"

"No, it's not a fact."

"I'll ask you for the last time to tell us the truth. Who shot you?"

"Well, I'll ask you - who shot me?"

"I'm asking you!"

"I don't know!"

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"And you saw no one?"

"I seen no one."

"Earlier, when COSTELLO directed Mr. EDELBAUM:
"Don't raise your voice," Judge MULLEN said: "

"I'll give the directions in this courtroom!"

"Later, COSTELLO, in answer to a question by
Mr. HERMAN:"

"I don't know of any human being who would
have a notion to want to kill me."

"He also denied hearing his assailant call:

"FRANK, this is for you!"

An article which appeared in the "New York
Herald Tribune" on May 28, 1958, reflected that "an all-male
jury acquitted VINCENT L. (Chin) GIGANTE last night of
the attempted murder of FRANK COSTELLO."

"The blue-ribbon panel reached a verdict in General
Sessions at 11:45 p.m., having received the case at 3:30
p.m. yesterday. The hoodlum and ex-pugilist had been
charged with firing the shot which creased the sixty-
eight-year-old gambler's head a year ago."

"Earlier, some spectators in court were somewhat
uncertain in listening to opposing summations as to just
who was on trial. For not only the defense lawyer, but
also the prosecutor concentrated on attacking COSTELLO -
who was nothing but the wounded witness in the case -
as a 'brazen liar'."

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"Assistant District Attorney ALEXANDER HERMAN used that appellation for the aging, still-trim gambler on the ground that the reluctant COSTELLO, 'true to his code was not going to rat on any one' - meaning the erstwhile rum runner and kewpie doll salesman refused to identify his assailant. Mr. HERMAN also had other unkind words for his own witness, to wit:"

"A hoodlum....a gangster....a man who never did an honest day's work and who never wants to, who thinks that we are all squares because we do."

"Defense counsel MAURICE EDELBAUM was kinder to COSTELLO, since COSTELLO swore that he never saw GIGANTE in his life. Even so, Mr. EDELBAUM maintained that the gambler knows perfectly well who nicked him in the head on May 2, 1957, with a .38-caliber bullet - and it certainly was not his client, GIGANTE, a thirty-year-old former heavyweight boxer."

"GIGANTE, Mr. EDELBAUM boomed as he banged the jury rail, was nothing but a building janitor who never had any truck with COSTELLO adding:"

"There has not been a single iota of evidence to show a single reason why this defendant should seek the life of FRANK COSTELLO. I wonder how long the defendant would be alive walking around the streets if he had been the man who dared to shoot FRANK COSTELLO. It wasn't long afterward (almost six months) that Mr. ALBERT ANASTASIA was assassinated in a barber shop."

"Is there any relationship between those two happenings? If the underworld wants to get rid of a top man, do they pick the janitor of a tenement house or do they import a gunman from out of state?"

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"Mr. HERMAN, head of homicide, labeled GIGANTE 'a young punk on the way up' chosen to carry out a gangland execution 'to win his spurs.' The prosecutor said that GIGANTE went into hiding after COSTELLO was shot in the foyer of his own home at 115 Central Park West and that GIGANTE surrendered (on August 19) only after he had 'changed radically and drastically' in appearance, having lost about thirty-five pounds and crew cut his long hair, in hopes of confusing any witness."

"Before trial, Mr. HERMAN continued, he did not bother questioning COSTELLO because he had 'demonstrated he was a liar many months ago, as he did on the witness stand.' The prosecutor noted that 'Uncle' FRANK was put on the stand 'in the nature of an exhibit, a corpus delicti, as it were - the man who was shot, the guy who got it in the head!'"

"As for PHILIP KENNEDY, a model agency executive who was with COSTELLO the night of the shooting and also testified, Mr. HERMAN said of him:"

"He was hanging around COSTELLO, drinking his liquor and living off him for the afternoon and evening. He's not worth one more hoot in hell than COSTELLO is."

"But Mr. HERMAN did have kind words for NORVAL KEITH, the COSTELLO building doorman, the only witness to identify GIGANTE as the assailant. Mr. KEITH has extremely poor vision in one eye. Mr. HERMAN on KEITH: "

"Thank the Lord for KEITH. He had the courage to come forward and not do what other people do - turn their backs and tell the police they didn't see anything."

NY 92-549

"Defense counsel EDELBAUM said that Mr. KEITH had limited vision and said that the doorman sometimes drank and had a red nose, of which the lawyer observed: "

"It shows like a beacon light on the foggy ocean."

"Mr. EDELBAUM said of his client: "

"The greatest gift you can give the underworld is to convict this man, so that the investigation into who and why FRANK COSTELLO was shot will stop."

"Judge JOHN A. MULLEN, in his charge, gave a choice of verdicts - guilty of first-degree attempted murder, first degree assault, or second-degree assault, or innocent."

An article which appeared in the "New York Daily News" on May 28, 1958, in part reflected that "in both defense and prosecution summations, the defendant Chin ran a very modest second to the victim, COSTELLO, in abuse from the lawyers."

"Almost apologizing to the all-male jury for having called COSTELLO as a witness, Assistant District Attorney ALEXANDER HERMAN explained: "

"I put him on in the nature of an exhibit - a corpus delicti, as it were, the man who was shot, the guy who got it in the head."

"Then he lambasted his own witness as 'a liar, a hoodlum and a gangster,' and in case the jury missed his point, immediately added by way of explanation:

"He's a man of ill repute."

NY 92-549

"Further, HERMAN explained:

"No one in the Police Department, in the district attorney's office or at the defense table gives a hoot in hell about COSTELLO, but he's a potential threat to the community and when he's shot, it's important."

"The Chin's lawyer, MAURICE EDELBAUM, added his tribute to COSTELLO as "a mug" who "should have been dragged down by the neck to the station house" to look at rogues gallery pictures."

"Instead, he charged, the police showed deference to COSTELLO, taking the photos to his apartment."

Concerning the acquittal of VINCENT GIGANTE, in the attempted murder of FRANK COSTELLO, an article which appeared in the "New York Post" on May 28, 1958, in part stated "COSTELLO, who didn't seem to care very much during the trial, didn't seem to care afterwards, either. Called a 'liar' by the prosecution and a 'mug' by the defense, he didn't stick around for the verdict. Later, when a reporter telephoned to ask what he thought, he hung up."

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[REDACTED]

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NY 92-549

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2. Reported Former Activity
Of Subject

It is noted as previously reported that on [REDACTED] a person who refused to further identify himself, [REDACTED] advised that in 1948, FRANK COSTELLO purchased a movie theater in Miami, Florida, and converted it into a bingo house. [REDACTED] seats were sold for \$5.00, that \$12,000.00 in prizes were distributed each evening, and that COSTELLO averaged \$5,000.00 per night.

The following individuals, according to information furnished by the Miami Office on June 30, 1958, advised on dates indicated, that they have never heard of FRANK COSTELLO or anyone else, conducting such an operation as mentioned above:

[REDACTED]

[REDACTED]

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NY 92-649



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D. Legitimate Enterprises
With Which Subject Has
Reportedly Been Connected

1. Real Estate

Building Located at 59th Street
and Park Avenue
New York, New York

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NY 92-649

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It is also noted that any information obtained concerning accounts or transactions at various banking institutions mentioned in instant report, can be made available only upon the issuance of a subpoena duces tecum.

Beverly Country Club
New Orleans, Louisiana

It is noted as previously reported, that the Dallas Office had reported that possibly tax liens had been placed on property possibly owned by COSTELLO, by Internal Revenue Service, New Orleans, Louisiana.

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
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NY 92-649

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Jet Broiler Company
New York, New York

Realty Trading Company
New York, New York


It is noted as previously reported, that subject testified before the United States Senate, Special Committee to Investigate Crime in Interstate Commerce, during March, 1951, in New York City. He testified that he was engaged in the Jet Broiler Company which made infra-red broilers. The company in which he stated he had a 35 per cent interest, took none of his time, he had never been to the office of the broiler company, and he left the whole thing to his attorney, GEORGE WOLF.

NY 92-649

Subject also testified at the same time that he also had the Realty Trading Company, which he started a few months prior. He did not know the directors of the company, other than Mr. WOLF, as WOLF drew up the papers for this company. COSTELLO was; however, a director of this company.

In the same connection, WOLF also stated at that time before the Committee, that the Realty Trading Company was a realty corporation in name that was organized for the purpose of COSTELLO'S negotiating for the purchase of a piece of real estate some time ago. Outside of the fact that the corporation was formed by filing a certificate of incorporation, the corporation hadn't operated as such. It had not purchased any real estate. It was brought out that this was no business, but just a piece of paper. WOLF then stated that it was a corporation organized to purchase a piece of real estate that was then had in mind and nothing came of it, and the corporation had not been liquidated, but still existed in law as a corporation. According to WOLF, the corporation was inactive, except for the purpose, if Mr. COSTELLO ever intends to purchase a piece of real estate through that corporation, it is in existence for that purpose, however, it is not an active real estate corporation as such.

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92-2869-58 pages 114 through 118

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3. Oil Interest of Subject

It is noted as previously reported, that it appears that liens were placed by the Internal Revenue Service, New York District, against subject in various County Clerk's Offices, in Texas, in 1953. It is also noted that some information relating to this has previously been reported.

The Dallas Office advised on June 18, 1958, that on April 17, 1958, at Jacksboro, Texas, [REDACTED] Jack County, advised SA [REDACTED] the deed records of this county, Volume 140, page 85, reflect COSTELLO has 4/48ths of 7/8ths of all mineral rights on 185 acres of Robert Barr Survey; Abstract 45; 47 acres of the Richard Austin Survey, Abstract Number 7; 65 2/3rds acres of the Ruben Hamilton Survey, Abstract Number 1109; 40 2/5ths acres of the Simon Walters Survey, Abstract Number 1019. Volume 140, page 89, reflects COSTELLO has 4/48ths of 7/8ths of all mineral rights in 160 acres of the Richard Simpson Survey,

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Abstract Number 7. Volume 140, page 99, reflects COSTELLO to have 4/48ths of 7/8ths mineral rights in 172 acres of the A. H. Sevier Survey, Abstract Number 518.

[redacted] said these are ten year leases and all of the above mineral rights were purchased on May 31, 1949, and the rental was \$1.00 a year per acre. [redacted] said that COSTELLO is still owner of the above mineral rights.

67C
For information of New York, [redacted] a survey is a division or parcel of land that was granted by the State of Texas to individuals for war service in the battle of San Jacinto and the Alamo. She said at later dates, persons could purchase the survey (land) from the State of Texas and these purchases were given abstract numbers. Therefore, she said that is the reason for the name on the surveys being set forth within the deed records.

[redacted] COSTELLO would own 4/48ths of the mineral rights as long as the lease is in force, which is a ten year lease from date. She said in the event production of oil is obtained on the land under lease, COSTELLO would receive 4/48ths of 7/8ths of the total production. [redacted] there is no oil produced on the above leases at the present time

On May 7, 1958, [redacted] Wise County, Decatur, Texas, advised SA [redacted] that the deed records of this county reflect in Volume 59, page 68, that on June 14, 1949, FRANK COSTELLO, 115 Central Park West, New York City, purchased from FRANK ERICKSON, 487 Park Avenue, New York City, an undivided 1/12th of mineral rights in the R. L. Morris Lease, dated June 11, 1948. Records in Volume 53, page 321, reflect that the R. L. Morris Lease covers 1690 acres

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in the James Tarleton Survey, Abstract Number 826; C. W. Egery Survey, Abstract Number 269; J. W. Woodburn Survey, Abstract 1265; W. T. Mc Clain Survey, Abstract Number 1336; J. H. Mosely Survey, Abstract Number 580; J. W. Mc Lean Survey, Abstract 1089; A. G. Mc Clure, Abstract 1236, and D. Thompson Survey, Abstract Number 1213.

Volume 103, page 1, reflects that on August 26, 1937, FRANK COSTELLO sold to the Kingwood Oil Company, all his interest (1/12) of the 320 acres in the James Tarleton Survey, Abstract 826. The records do not reflect any conveyance out of COSTELLO, therefore he still owns 1/12th interest in 1370 acres under said lease (R. L. Morris Lease).

b7C [redacted] is a ten year lease from date, June 11, 1948, and the ten year lease is extended in the event oil production is in effect at the end of term of the lease.

[redacted] inspection of the ownership map of Wise County, reflects there is oil production on the above lease, therefore, continuation of the lease is automatic.

On May 8, 1958, [redacted] United States District Court, Fort Worth, Texas, advised SA [redacted] that notices of tax liens received by this office concerning FRANK COSTELLO, have been forwarded to the Federal Storage Center.

On May 12, 1958, [redacted] Federal Records Center, Fort Worth, Texas, advised SA [redacted] that within the records of this office is a notice of tax lien Number 3084, District of United States Internal Revenue, Upper Manhattan, New York, to be filed

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against FRANK COSTELLO in the amount of \$388,161.17. Notice of this tax lien under Internal Revenue, was dated January 15, 1953, name of tax payer shown as FRANK COSTELLO, and residence 115 Central Park West, New York City. Notice of tax lien reflects the following information:

<u>Nature of Tax (Income)</u>	<u>Year or taxable period ended</u>	<u>Date Assessment Received</u>	<u>Amount Assessment</u>
	1942	January 9, 1953	\$ 19,316.93
	1945	January 9, 1953	137,562.03
	1944	January 9, 1953	211,677.59
	1941	January 9, 1953	<u>91,605.16</u>
Total:			\$388,161.17

[REDACTED] all that is on record with this office and the notice of tax lien does not indicate or describe any property or location of property. [REDACTED] that all notices of tax liens are forwarded to the individual county clerks of the State of Texas, this being a law passed by the State of Texas.

On May 21, 1958, [REDACTED] Jack County, Jacksboro, Texas, advised SA [REDACTED] that page 161, book 173, Deed Records of Jack County, reflects that the United States Internal Revenue District of Upper Manhattan, New York, on

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January 21, 1953, filed a notice of tax lien in the amount of \$388,161.17 for unpaid taxes including penalty, interest and costs for the years 1942, 1945, 1944, and 1941, against FRANK COSTELLO. [REDACTED] this notice of tax lien contains no description of the property owned by COSTELLO.

Page 292, book 173, reflects that for the year 1946, a notice of tax lien was filed by the United States Internal Revenue District of Upper Manhattan, New York, in the amount of \$39,645.80 for unpaid taxes against COSTELLO.

b7c [REDACTED] page 293, book 173, reflects a notice of tax lien, United States Internal Revenue District of Upper Manhattan, which lien reflects the notice of tax lien was filed against FRANK COSTELLO and LORETTA COSTELLO, 115 Central Park West, New York City, in the amount of \$212,466.37, for unpaid taxes for the years 1947, 1948, 1949, and 1950. [REDACTED] these notices of tax liens contain no description of property and are merely notices of tax liens filed in this county.

On May 13, 1958, [REDACTED] Wise County, Decatur, Texas, advised SA [REDACTED] that a search of records failed to reflect a notice of tax lien had been filed with this office.

The Dallas Office advised on August 1, 1958, that the following investigation was conducted by SAS [REDACTED] and [REDACTED] at Abilene, Texas:

On July 9, 1958, [REDACTED] County Clerk's Office, Taylor County, after checking deed records direct and reverse index, as well as Federal tax lien records from 1929 to date, advised there was no recording reflecting FRANK COSTELLO owned or has held mineral rights in Taylor County, Texas. The Federal tax lien records contained no information on COSTELLO.

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On July 9, 1958, [REDACTED] advised after checking their records from 1929 to date, both on rendered and unrendered properties, there is no property of record listed to FRANK COSTELLO.

On July 10, 1958, [REDACTED] County Clerk's Office, Jones County, Anson, Texas, after checking deed records, direct, and reverse index, as well as Federal tax lien records from 1929 to date, advised there was no recording reflecting FRANK COSTELLO owned or has held mineral rights in Jones County, Texas. The Federal tax lien records contained no information on COSTELLO.

On July 10, 1958, [REDACTED] advised after checking the records of that office from 1929 to date, both on rendered and unrendered properties, there is no property of record listed to FRANK COSTELLO.

b7c The following investigation was conducted by SA [REDACTED] on July 9, 1958, at Eldorado, Schleicher County, Texas:

[REDACTED] advised on July 9, 1958, that a thorough search of the deed records of this county, both under the name of COSTELLO as grantee and grantor, failed to reveal any record of any property owned by COSTELLO in this county.

[REDACTED] if such property was owned by COSTELLO and another party, the record possibly could be indexed in name of the second party, et al, and would not show COSTELLO'S name.

One MARY H. COSTELLO, address and identity unknown, is shown in the above records, to own a one-one hundred sixtieth (1-160th) mineral interest under the Number 1/2 of Survey 1200, Certificate Number 11, Abstract 1358, containing 320 acres, which was deeded to MARY H. COSTELLO on March 17, 1931, by J. G. GALLETT, Inc., of Tulsa, Oklahoma.

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[redacted] seemed to recall that two or more years ago he got a telephone call from the United States Attorney, New York City, inquiring concerning mineral interests owned by COSTELLO in this county and, he believed he furnished some information to the United States Attorney as result of this call. He advised, however, that he was given a book and page number, which enabled him to locate the deed record in question. b7c

The El Paso Office advised on July 18, 1958, that on July 7, 1958, [redacted] Mentone, Texas, advised SA [redacted] after checking Loving County Records of Deeds, back to the year 1931, that he could locate no information pertaining to subject under the COSTELLO name or his aliases.

On the same date, [redacted] Mentone, checked Loving County Personal Tax Records back to 1947, but located nothing pertaining to subject. b7c

It is noted as previously reported, that subject possibly had oil interests through the Kingwood Oil Company and the Breuil Petroleum Corporation, Oklahoma City, Oklahoma.

[redacted] b7c b7D

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On June 20, 1958, the records of the United States District Court Clerk, Oklahoma City, were checked and reflected that liens in behalf of the Internal Revenue Bureau, Upper Manhattan, dated January 15, 1953, were filed which reflected that FRANK COSTELLO, 115 Central Park West, New York City, owes income tax for the years 1941, 1942, 1944, 1945, in the amount of \$388.161.17; for the year 1946, \$39,645.00, and for the year 1953, \$212.466.37.

T-28 made available information concerning FRANK COSTELLO, which confirms the above information. The information reflects that "courtesy liens" were filed as indicated above, and also filed with the United States District Court Clerk at Tulsa, and Muskogee, and with the County Clerk at Tulsa, Oklahoma City, Bartlesville, Duncan, and Pauls Valley, Oklahoma. T-28 stated her file reflects that the oil and gas lease in which COSTELLO has an interest, is in Wise County, Texas, and that the Breuil Petroleum Corporation and the Kingwood Oil Company were involved in the production, but the Cities Service Company, Tulsa, made the actual payments to COSTELLO.

T-28 stated her file reflects that in December, 1954, Kingwood Oil Company made application for payment of monthly operating expenses on the oil and gas lease out of the money to be received by COSTELLO from production, and that this claim was granted. T-28 stated her file reflects that in 1953, COSTELLO'S share from the oil and gas lease was approximately \$20 per month from gas and \$80 per month from oil. T-28 stated she has no additional information concerning this matter in her files.

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The Kansas City Office furnished information on July 29, 1958, that on June 26, 1958, T-27 advised that liens had been filed during January, 1953, on FRANK COSTELLO, for income tax owed for the years 1941, 1942, 1944, and 1945, in the amounts of \$19,605.16, \$19,316.39, \$211,677.59, and \$137,562.03, respectively. Liens were filed against FRANK COSTELLO during February, 1953, in the amount of \$39,645.80, on income taxes owed for the year 1946. Liens were also filed against FRANK and LORETTA COSTELLO during February, 1953, for income taxes owed for the years 1947, 1948, 1949, and 1950, in the amounts of \$94,548.52, \$59,147.21, \$50,186.21, and \$8,584.43, respectively.

These liens according to T-27 were filed at the following places:

Butler County, Kansas, Register of Deeds

Rice County, Kansas, Register of Deeds

Russell County, Kansas, Register of Deeds

Clerk United States District Court, Wichita, Kansas

It is noted that information relating to oil interests of subject in Kansas has previously been reported.

The Kansas City Office advised on June 24, 1958, that on April 28, 1958, [REDACTED] United States District Court, Topeka, Kansas, advised SA [REDACTED] that card index reflects that on January 23, 1953, a tax lien pursuant to a judgment in the amount of \$388,161.17 against FRANK COSTELLO, was filed in United States District Court at Wichita, Kansas. b7c

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On May 26, 1958, [REDACTED] of United States District Court, Wichita, Kansas, advised SA [REDACTED] his files contain only a judgment card reflecting that a tax lien was filed on January 23, 1958, in the amount of \$388,161.17. No reference is made to where the lien was filed or as to where the judgment took place. [REDACTED] it would appear that the action did not take place in Wichita, Kansas, otherwise this matter would have been indexed in his records. No further information was available concerning the judgment or lien and no record was found for LORETTA COSTELLO.


On May 26, 1958, [REDACTED] Sedgwick County, Kansas, Registrar of Deeds, advised her files contain no record of a lien filed against FRANK or LORETTA COSTELLO.

T-27 said liens were filed against COSTELLO in all the above listed counties as COSTELLO reportedly had an interest in an oil company in Russell County which later went broke. COSTELLO has a 9/16 working interest in the Cramm Oil well located in Rice County, and a 1/2 working interest in the Batchman Well located in Barton County, which is the reason for the liens being filed with the Register of Deeds in these counties. T-27 indicated that he has no knowledge of who the other parties are who have a working interest in these two wells, but that this information could probably be obtained by contacting the Bankoff Oil Company, 2535 Dawson Road, Tulsa, Oklahoma, the operating company for these two wells. T-27 said the last payment received by the Internal Revenue Service on the proceeds from these two wells was July 23, 1957, when \$299.86 was received.

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T-27 said that in May, 1953, the District Director, Upper Manhattan, New York, transferred to the District Director, Wichita, Kansas, for collection, a portion of the account in the amount of \$50,000 on the 1945 income tax of COSTELLO of which \$137,562.03 is delinquent. The balance of this \$50,000 as of June 26, 1958, is \$10,559.49, exclusive of interest accruing on the unpaid balance. The Internal Revenue Service allowed the two wells to be worked on recently in order that they could be made to produce more economically and according to T-27, the Internal Revenue Service expects to again start collecting on COSTELLO'S share of the proceeds of these wells. T-27 said that when the \$50,000 is paid off, the Internal Revenue Service District Director, Upper Manhattan, New York, may request the collection be made in another amount if the balance of COSTELLO'S account is not satisfied by then.

T-27 said that FRED B. ANSCHUTZ, a Wichita oil operator, may be able to furnish information regarding the oil company with which COSTELLO may have been interested in Russell County in about 1953.



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[REDACTED] had no knowledge of COSTELLO and could furnish no additional information of value to this investigation.

On July 11, 1958, [REDACTED] United States Attorney's Office, Topeka, Kansas, advised SA [REDACTED] that a search of the files of that office disclosed no information pertaining to the tax lien and judgment against subject. b7C

On July 11, 1958, [REDACTED] United States District Court, Topeka, Kansas, advised that the tax lien against subject in the amount of \$388,161.17, recorded on an index card in that office, would have undoubtedly been filed at the request of the Internal Revenue Service, Wichita, Kansas, and it was apparently filed through the office of the Deputy Clerk of the United States District Court, Wichita, Kansas. b7C

[REDACTED] b7C, b7D

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It is noted as previously reported, that the United States Internal Revenue Service, New York District, had possibly placed liens against subject at the County Clerk's Office and at the United States District Court, Newark, New Jersey.

On May 16, 1958, [REDACTED] Essex County Clerk's Office, Hall of Records, High Street, Newark, New Jersey, advised SA [REDACTED] that she could locate no record for FRANK COSTELLO at that office. On this same date, [REDACTED] reviewed the records of the Essex County Superior Court and was unable to find any reference to FRANK COSTELLO.

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On May 8, 1958, the records of the United States District Court, Federal Building, Newark, New Jersey, were reviewed by [REDACTED] who advised SA [REDACTED] that the records of that office contained no information concerning FRANK COSTELLO.

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E. Places of Amusement
and Hangouts Frequented
by Subject

b7C At 8:50 p.m., on May 14, 1958, SAS [REDACTED] b7C
[REDACTED] observed the subject
as he was departing from the Press Box Restaurant,
137 East 45th Street, New York City.

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED]

At approximately 5:00 p.m., on August 4, 1958,
the subject was observed by SA [REDACTED], with
ANTHONY CARPANO, as they sat together at a table at the
Drake Room Bar, 440 Park Avenue, New York City.

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[REDACTED] b7D
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

F. Travel

At approximately 8:50 p.m., on May 14, 1958, SAS [REDACTED] observed the subject as he was departing from the Press Box Restaurant, 137 East 45th Street, and he was observed to enter a taxi cab and leave the area. b7c

At 10:10 a.m., on July 29, 1958, the subject was observed by SA [REDACTED] as he left his residence, 115 Central Park West, New York City, and enter a taxi cab, License Number 018048. After the subject entered the taxi cab the cab proceeded down town of Central Park West. b7c

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INASMUCH AS THE SUBJECT WAS SENTENCED ON
APRIL 15, 1915, TO THE NEW YORK CITY PENITENTIARY,
FOR ONE YEAR, FOR POSSESSION OF A REVOLVER, AND DUE
TO HIS REPORTED ASSOCIATION WITH TOP HOODLUMS, THE
SUBJECT SHOULD BE CONSIDERED DANGEROUS.

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The above-named ALEX LOUIS GREENBERG was shot to death on December 8, 1955, by two men outside a restaurant at 2724 Union Avenue in Chicago.

The Chicago "Tribune" headlined his passing, "Slain Brewer Linked to Mob for 46 Years", and wrote, "He had a profound influence upon the crime syndicate and its members in this area. He is credited with having shown the hoodlums how to put their booze, vice, dope, and gambling profits into solid business assets. Under his guidance, it is understood, the mob moved into ownerships of hotels, restaurants, major industries and entertainment enterprises."

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Concerning ALEXANDER LOUIS GREENBERG, the following is a resume of GREENBERG as furnished by the Chicago Office on August 5, 1958:

ALEXANDER LOUIS GREENBERG was born on December 10, 1891, at Yanove, Russia. He arrived in New York in 1905. He was a naturalized citizen of the United States, was married and had three children. He lived at the Seneca Hotel, 200 East Chestnut Street, Chicago, Illinois. He was registered for Selective Service with Local Board 143, which was located at 200 East Chestnut Street, in 1942.

When GREENBERG arrived in the United States, he came to Chicago after a short stay in Brooklyn, New York, operated a clothing house on Roosevelt Road, and later opened a saloon on 16th Street and Lawndale Avenue, and another at 4346 Lincoln Avenue. On May 21, 1921, Federal Officers raided an office at 4145 Washington Boulevard and arrested GREENBERG, with others, all being charged with conducting liquor traffic and being in possession of forged liquor permits. GREENBERG's saloons were closed.

When DION O'BANION and HYMIE WEISS, gangsters and operators of the Manhattan Brewing Company for the Chicago Syndicate were killed by gunfire, GREENBERG moved into the Manhattan Brewing Company, representing CAPONE interests. The company was located at 3901 Emerald Avenue, and 3910-20 Union Avenue.

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The Manhattan plant had a capacity of 2400 barrels of beer daily, and the trade name was "Old Manhattan" and "Canadian Ace" in bottles and kegs. This brewery was reported to be the largest brewery in the State of Illinois, and more than fifty percent of its production was exported out of the state. GREENBERG had allegedly stated that he owned fifty percent of the stock. It was believed that the Capone Syndicate of Chicago was the true owner of the brewery. The net worth of the plant was \$1,524,000.00 as of January 1, 1943.

Other business interests of GREENBERG included:

Empire Ordnance Company of New York City

City Realty Management Company
Chicago, Illinois

Seneca Hotel

Knickerbocker Hotel

Towne Hotel

Lawndale, Road, Alex, and Symphony Theatres

5100 Cornell Apartment Building

Prima-Bismarck Brewing Company

Swift - Sure Beer Service

Canadian Ace Distributing Company

Gasoline Filling Stations

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According to newspaper accounts dated February 26, 1925, GREENBERG, with others, were arrested by United States Internal Revenue Agents in a million dollar Sibley Warehouse robbery where much liquor had been stored. GREENBERG, at this time, was termed one of the heads of the bootlegging syndicate operating throughout the United States.

At the death of DION O'BANION and MYMIE WEISS, GREENBERG took over the Manhattan Brewing Company. Since the O'BANION and WEISS killings, GREENBERG had allegedly been paying the widows of the slain gangsters \$50.00 a week until a cash settlement was made.

b7D [REDACTED] He was known to be most unethical in his business practices and dealings, and was known to cheat for his own benefit at every opportunity. He had been closely associated with FRANK NITTI, deceased CAPONE hoodlum, and other members of the CAPONE Syndicate. According to GREENBERG's own statement he had borrowed more than \$80,000 from NITTI simply by signing an IOU, and had never paid NITTI any of the amounts loaned to him. GREENBERG was reputed in numerous circles to be the financial front man for the Capone Syndicate, investing the gangsters' money in profitable, legitimate investments. He was said to have surrounded himself with some of the most highly respected men of the City of Chicago in the business world.

When interviewed by a Special Agent of the Chicago Office on January 1, 1943, GREENBERG stated that he could not write, with the exception of signing his name, and that he could not read, with the exception of reading numbers.

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It has been learned that GREENBERG kept no bank account of his own; that he used the name of various friends and fronts for his bank account, and had devised many schemes to evade payment of income tax by sending certain large checks through various corporations and firms as a cover up.

GREENBERG was known to be very influential in State politics, and was said to be responsible for the election of ARTHUR C. LUEDER, State Auditor. GREENBERG allegedly had advised that he contributed \$20,000 to the LUEDER political campaign, however, he recently stated to an Agent of the Chicago Office that LUEDER was strictly a dirty politician and that he had contacted LUEDER only four or five times since the latter became Auditor of the State of Illinois.

It was learned by the Chicago Office, however, that GREENBERG had used the State Auditor on many occasions to manipulate certain crooked deals and that LUEDER was definitely obligated to GREENBERG as LUEDER received a salary of \$20,000 a year for the use of his name in conjunction with the Manhattan Brewing Company for a number of years. GREENBERG, through his various business holdings, had been acting as receiver for many closed banks and foreclosures by the State, for which he had received a great deal of profit from Auditor LUEDER's office.

With regard to political connections in the City of Chicago, it had been learned that GREENBERG had been successful in obtaining any goal he chose through his very close friend, Alderman JACOB ARVEY, and Attorney SAMUEL B. EPSTEIN, a law partner of ARVEY. It was known that Alderman ARVEY and the officials of the City of Chicago had been very close in their political associations.

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BARNET L. ROSSET, head of the Metropolitan Trust Company, Chicago, a politician, but not holding office, who was a very close friend of a certain member of a very prominent Washington, D.C., family, had on several occasions interceded for GREENBERG. Through these political connections GREENBERG had been known to obtain an interest in the Empire Ordnance Works in New York City, which was producing arms and ammunition for the United States Army and Navy.

ARTHUR GREENE, with offices at 887 Continental Bank Building, and residing at 179 East Lake Shore Drive, a multi-millionaire, having very good political and banking connections in Chicago, had served as an advisor and friend to GREENBERG in his business dealings with the hoodlums.

GREENBERG did not frequent the usual haunts of the Capone organization, although he sometimes lunched with members of the mob at GIBB KAPLAN's Restaurant on the second floor at Clark and Lake Streets. All information available in the Chicago Office indicated GREENBERG remained as inconspicuous as possible, but handled the business dealings of the syndicate.

The "Chicago Daily Sun Times", dated October 15, 1950, contained an article which stated that KEFAUVER and his colleagues hoped some of the amazing stories unfolded in Chicago, Kansas City, Miami, New York, Philadelphia, and other cities would serve as powerful lessons for people who bet.

A central figure in one of those stories was ALEXANDER LOUIS GREENBERG, a portly Chicagoan whose fortune was so high in the millions that it could not be estimated by anybody except himself.

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GREENBERG was shot to death on December 8, 1955, just after he had left a restaurant at 28th and Union, in Chicago. There was much newspaper speculation as to why he had been executed, and by whom. Probably the most illuminating information on the subject was that furnished by an informant of the Chicago Office,

b7D [REDACTED] The Chicago papers said that GREENBERG was slain by unknown gunman, and the police never found any killer.

There was, however, newspaper and general underworld speculation as to the people responsible for GREENBERG's death. One source [REDACTED]

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92-2869-58 pages 158, 159 & 160

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[REDACTED]
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4. Observations of Subject

At 8:50 p.m., on May 14, 1958, SAS [REDACTED] and [REDACTED] observed the subject and an unknown white female depart from the Press Box

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Restaurant, on 45th Street. The female was described as being approximately 5'5" in height, age from 45 to 50 years and red-headed. The subject and the unidentified female companion entered a taxi cab, number not obtainable, and were driven west on 45th Street.

SA [REDACTED] observed the subject at approximately 12 o'clock noon on June 18, 1958, at which time subject was proceeding to the Men's Bar in the Waldorf Astoria Hotel. b7C

The subject was observed by SA [REDACTED] at 10:10 a.m. on July 29, 1958, as he left the building of his residence, Majestic Apartments, 115 Central Park West, New York City. A taxi cab was secured for him by the doorman of the Majestic Apartments and subject entered taxi cab number 018048. Subject was alone at that time, he was not wearing glasses or a hat, he was neatly dressed in a light blue suit, white shirt, red tie, and black shoes. After he entered the taxi cab, the taxi cab proceeded downtown on Central Park West. b7C

The subject was observed by SA [REDACTED] at 5:10 p.m. on August 4, 1958, in company of ANTHONY CARFANO as they were seated at a table in the rear of the Hotel Drake Bar, 440 Park Avenue. During the time they were under observation, they were observed conversing with each other. b7C

5. Miscellaneous Information

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92-2869-58 pg. 163

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It is also noted that subject has been free on bail in the amount of \$25,000, since his release from Federal Detention Headquarters, New York City, on March 11, 1957, after having been convicted in 1954, for evasion of income taxes. This bail bond restricts subject to the Southern District of New York, however, he visits his home in Sands Point, New York, Eastern District of New York, and by court order, he may confer with his attorney, namely EDWARD BENNETT WILLIAMS, in Washington, D.C.

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92-2869-58 pgs. 165 & 166

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92-2869-58 pgs. 167 through 174

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